





Digitized by the Internet Archive
in 2025 with funding from
University of Toronto

<https://archive.org/details/31761120639778>

I

HYDRO-ELECTRIC INQUIRY COMMISSION

MEMORANDUM OF QUESTIONS TO BE ASKED SIR ADAM BECK
IN CONJUNCTION WITH MR. POPE AND MR. GABY

Sir Adam:

The Commission has been looking into the situation at Nipigon. We have held public sittings in the Thunder Bay District and have been impressed with the desirability of some agreement being reached between your Commission and the Great Lakes Paper Company, Ltd., in order that the municipalities up there may be in a better position to pay for their power. We thought that a discussion with you, and possibly with Mr. Alsted, might help in bringing about such an agreement.

- 1 - Will you tell us what negotiations, if any, are now on foot between the H.M.P.C. and the Great Lakes Paper Company?
- 2 - Do you consider the present Development at Nipigon sufficient to satisfy the obligations entered into by the Government with the lessees of the Pic and Black Sturgeon Limits?

NOTE - In asking these questions the following documents should be kept in mind:

- A - Report of Mr. Gaby, May 29, 1918, recommending Nipigon Development (Bluebook P. 74-78)
- B - Letter from Mr. Pope, 31st May, 1918, to Sir William Hearst transmitting report of Mr. Gaby and referring to a recent interview with the Cabinet. (See Bluebook Return page 74)

- C - Letter from Sir William Hearst to Mr. Pope, June 4, 1918, commenting on Mr. Gaby's report and pointing out "no power development at Nipigon could be considered that will not provide for the power requirements necessary for the development of the Nipigon pulp concessions." (See Bluebook Return page 85)
- D - Letter from Mr. Pope to Sir William Hearst, 7th June, 1919, advising that his communication 4th inst. had been brought to attention of Commission and giving estimate of the amount of funds necessary to carry out the work and advising that increased requirements could be met as the transmission line would have a capacity of from 70,000 to 80,000 H.P. (Letter attached marked "D").
- E - Letter from Sir William Hearst to Mr. Pope, 12th June, 1918, asking Mr. Pope to confirm the following understanding:
- "The proposed Development shall have a capacity of 70,000 to 80,000 h.p. and that 60,000 to 70,000 h.p. of this amount would be available for use at Port Arthur and Ft. William, and that the estimated cost of this work is \$3,150,000 to \$4,150,000, this amount being spread over the years 1918, 1919 and 1920 as above set out."
- (Copy of letter attached, marked "E")
- F - Letter from Mr. Pope to Sir William Hearst, 13th June, 1918, calling attention to his former communications 31st May with regard to the capacity of the proposed development and the estimated cost of the work, and stating that "the extension of the development of the Nipigon site will depend on the requirements of the district and the contracts that the Commission are able to secure."
- It was stated that the initial development would require an expenditure of \$4,419,568. and that the extension of the development to 50,000 h.p. with transmission lines would require a capital expenditure of \$7,500,000, and that the extension of the development to 70,000 h.p. with transmission line to Ft. Arthur and Ft. William would require approximately \$8,750,000. (See Copy of letter attached, marked "F")

- G - Letter from Sir William Hearst to Mr. Pope, June 13, 1918, advising that "The Government looks favorably upon the request of the Commission for the necessary authority to proceed with the above-named development (Nipigon)" and asking for a more complete report accompanied by the formal recommendation of the Commission approving of the report and recommending the Government to pass the necessary Order-in-Council authorizing the work to be proceeded with.
(Copy of this letter attached - "G")
- H - Letter from Sir Adam Beck to Sir William Hearst, 26th June, 1918, applying for the Order-in-Council authorizing the Commission to proceed with the construction of the Development. (Copy of this letter attached - marked "H")
- I - Copy of Order-in-Council, 4th July, 1918, authorizing the Nipigon Development - "I"
- J - Letter from Mr. Pope to Mr. Carrick, Sept. 13, 1918, advising that "Commission propose to install only such works as will meet the immediate requirements for power on existing contracts and unless the Commission receive a definite contract for the supply of power it will be unable to consider future requirements you may desire to provide for." (See Bluebook page 84)
- K - Letter from Sir Adam Beck to Mr. Matthews, 11th December, 1918, advising him that "Commission propose to develop this power (Nipigon) to the extent at the present necessary to meet the demands of the municipalities of Port Arthur and Fort William. The Pulp interests you mention will be provided for whenever they are in a position to execute a firm contract." (See Copy attached, marked "K")
- L - The statement of Mr. Justice Rose in his Judgment in Attorney-General of Ontario V. The Great Lakes Paper Company -

"The Commission apparently in the belief that Mr. Carrick would be a customer, decided to develop a water power at Cameron's Falls which would be adequate to supply both him and the Cities, whereas if the requirements of

the Cities alone had been considered the power could have been furnished by developing it at Dog Lake at a much smaller capital expenditure."

- M - Memo. by Mr. Titus, Solicitor to Department of Lands Forests & Mines, dated December 1, 1921, (See page 63 herein)

131

If the answer to the second question is YES then documents "A", "C", "D", "J", "K" and "M" will need explanation. and the following questions should be asked:-

- 3 - Do you consider that the obligations of the Government to Alsted are affected by the letter of 6th March, 1922, from the Minister of Lands, Forests & Mines to Mr. Alsted? (See page 63 herein)
- 4 - Did you authorize the letter of Mr. Pope to Mr. F. E. Titus, Solicitor for the Lands & Forests Department, dated 4th November, 1921 (See Copy of this letter attached - marked "H")
- 5 - Does it represent the condition of things at this time?
- 6 - How much power is available for the Great Lakes Pulp and Paper Company at the present time?
- 7 - Is this 24-hour power?
- 8 - What do you say as to the opinion expressed by Mr. Titus in his memorandum to the Minister of Lands & Forests dated 1st December, 1921? (See page 139 herein)
- 9 - What further installation would you advise on the assumption that the initial requirements of the Great Lakes Paper Company will be 15,500 H.P.?

To question # 2

NOTE If the answer be NO Document "L" will need to be explained and it will be apparent that the Great Lakes Paper Company was not in default under the terms of its agreement with the Government. Moreover the argument set out in the Brief prepared by the H.E.P.C. on the Nipigon Development (page 15) to the effect that the Development had been undertaken in order to implement the obligations of the Government and in response to the representations of the Premier, falls to the ground.

Depending on the character of the answers given to the previous questions, the following further questions may arise:

- 10 - Whether the Hydro-Electric Power Commission deliberately disregarded the injunction of the Government not to proceed with any development at Nipigon which would not take care of the obligations of the Government with respect to the supply of power to the lessees of the Pic and Black Sturgeon Limits.
- 11 - Whether it was on the ground that it would not be wise to undertake a Development beyond the immediate requirements of Port Arthur and Fort William that sufficient power was not developed for the Great Lakes Co.
- 12 - Whether it was appreciated that the judgment of the H.E.P.C. in this respect did not coincide with that of the Government?
- 13 - Did you advise Mr. Kilmer in June, 1921 that sufficient power was then available and that it had been available since 31st March, 1921
- 14 - What was your understanding as to the Company's requirements at that time?

1. In the manner of the "Hill"...

need to be explained and is likely to appear that...

There is a paper document which is dated under...

the form of the agreement with the Government. The...

over the agreement and in the final proposed by...

the U.S.S.R. on the Military Agreement (page 11).

to the effect that the Government has been asked...

in order to implement the obligations of the Government...

ment and in response to the representations of the...

Transmit, this to the Government.

Regarding the character of the answers given to the...

previous questions, the following further questions may arise:

10 - Whether the U.S.S.R. has a power to deliver...
disregarding the intention of the Government not to
proceed with any development at which would be
take care of the obligation of the Government when
suggested to the supply of power to the Government of the
the and which Government.

11 - Whether it was in the interest that it would not be
to undertake a development beyond the immediate need
which of four years and four years that would be
power was not developed for the first time.

12 - Whether it was appreciated that the Government of the U.S.S.R.
in this respect had not coincided with that of the
Government.

13 - Did you advise Mr. Elliott in June, 1951 that...
power was then available and that it had been available
since that time, 1951.

14 - What was your understanding as to the Government's position
on that point?

- 15 - What quantity was the plant at that time capable of producing at that time?
- 16 - Did you notify the Great Lakes Company on 3rd June, 1921 that an adequate supply of electrical power was available?
- ~~15~~ 17 - Was it on your advice or with your approval that Mr. Bowman wrote to the Company on January 20th, 1922 as follows:-

"IN VIEW OF THE FAILURE OF YOUR COMPANY TO IMPLEMENT ITS OBLIGATION UNDER THE AGREEMENTS OF 9 TH MAY, 1917 and 8TH MAY, 1918, OF WHICH YOUR COMPANY IS THE ASSIGNEE, I HEREBY NOTIFY YOU TO SHOW CAUSE WITHIN 30 DAYS FROM THE DATE HEREOF WHY YOUR RIGHTS TO THESE LIMITS SHOULD NOT BE DECLARED FORFEIT TO THE CROWN. YOURS TRULY,
BERNARD BOWMAN"

- ~~16~~ 18 - WHAT REPLY DID YOU SEND TO MR. MATTHEWS' Telegram, 23rd March, 1920? (Copy attached, marked "O")

Are all the communications between you and Mr. Matthews or other parties at Port Arthur on the file which we now have or is there another file?

- ~~17~~ 19 - Did you have any communication with Mr. Keefer or Mr. Garrick about this time (March, 1920).

COPY

June 7, 1910

(From H.B.P.C. File of letters returned to
Commission by C. C. Robinson)

Sir William Hearst,
Prime Minister of Ontario,
Parliament Buildings,
TORONTO

Re Power for Port Arthur and Port William

Dear Sir:

Your communication of the 4th inst. was brought to the attention of the Commission at their meeting held yesterday and I was instructed to advise you that the report and material forwarded to you, containing the firms desiring power, was merely to give you some idea of the requirements of the Cities of Port Arthur and Port William and that increased requirements can be met, as the transmission line will have a capacity of from 60,000 to 70,000 h.p. and the power development a capacity of from 70,000 to 80,000 h.p.

The funds necessary to carry on the work is estimated to be --

For the fiscal year 1910	\$150,000
" " " 1919	1,000,000 to 1,500,000
" " " 1920	2,000,000 to 2,500,000

I trust this will give you the information you desire. If, however, there is anything further I will be pleased if you will advise me so that the matter may be brought to the attention of the Commission at their next meeting which is to be held on Tuesday or Wednesday of next week.

Yours truly,

SECRETARY .

E8

C O P Y

OFFICE OF THE PRIME MINISTER &
PRESIDENT OF THE COUNCIL, ONTARIO

Toronto, June 12, 1918

W. H. Pope, Esq.,
Toronto, Ont.

Dear Sir:

Re Power for Port Arthur and Ft. William

In further reference to your letter of the 7th inst.,
I particularly note that part of your letter in which you
say:-

"The transmission line will have a capacity of
from 60,000 to 70,000 h.p. and the power develop-
ment a capacity of from 70,000 to 80,000 h.p.

The funds necessary to carry on the work
is estimated to be -

For fiscal year 1918	\$150,000
" " " 1919	1,000,000 to 1,500,000
" " " 1920	2,000,000 to 2,500,000."

From this I understand that the proposed develop-
ment will have a capacity of from 70,000 to 80,000 h.p.
and that 60,000 to 70,000 h.p. of this amount will be
available for use at Port Arthur and Port William and
that the estimated cost of this work is from \$3,150,000
to \$4,150,000, this amount being spread over the years
1918, 1919, 1920 as above set out.

I am writing you this letter so that there may be
no possible room for misunderstanding on my part as to the
situation.

Yours truly,

W. H. HENRST.

C O R R

F

9

(Hydro letters returned by C.C. Robinson)

June 18th, 1910

Sir William Hearst,
Prime Minister of Ontario,
Parliament Buildings,
TORONTO.

Re Power Supply from Hipigon Development

Dear Sir:

Yours of the 18th inst. came duly to hand and I am instructed to call your attention to my former communication of the 31st May, in which you will note that an amount would be required to complete the work, over and above that mentioned in my communication of the 7th inst., which will be for the fiscal year 1931.

The extension of the development of the Hipigon site will depend upon the requirements of the district and the contracts that the Commission are able to secure.

As set out on page 8 of the report which accompanied my letter of 31st May, the initial development of the Hipigon site with a transmission line with a capacity of from 50,000 to 70,000 h.p. to Ft. William and Ft. Arthur, with step-up and step-down transformer stations, would require an estimated expenditure of \$4,419,568. The extension of the development to 50,000 h.p. with transmission lines, as above, would require a capital expenditure of \$7,500,000, and the extension of the development to 70,000 h.p. with transmission lines to Ft. William and Ft. Arthur, it is estimated, would require approximately \$8,750,000.

All the above estimates are based upon the high cost of material and labour prevailing at the present time.

I trust this will make the Commission's intentions quite clear to you. If, however, there is any further information you require, I will see that it receives prompt attention upon hearing further from you.

Yours truly,

SECRETARY

G

C O P Y

OFFICE OF THE PRIME MINISTER & PRESIDENT OF THE
COUNCIL, ONTARIO

Toronto, 13th June, 1918

W. W. Pope, Esq.,
TORONTO, Ont.

Re Power for Port William and
Pt. Arthur

Dear Sir:-

The Government looks favorably upon the request of the Commission for the necessary authority to proceed with the above named development. In order, however, to justify formal action, and to have all necessary papers to justify our action on the floor of the House and elsewhere, we should have a more complete report than what has yet been furnished to us and this report should be accompanied by the formal recommendation of the Commission, approving of the report and recommending the Government to pass the necessary Order authorizing the work to be proceeded with.

As I have already pointed out to you, any authority to proceed with the work would necessarily be subject to the ability of the Government to secure the moneys required for the work and also the consent of the Minister of Finance at Ottawa to issue the necessary bonds for such money.

There will be no serious difficulty about the moneys required within the present fiscal year, but it is impossible to foretell with accuracy what financial conditions may be next year and the year after.

The question of the consent of the Minister of Finance to float the bonds in connection with this development should be taken up at once and I would ask you to prepare for me for submission to the Minister of Finance at Ottawa an estimate of the total requirements of your Commission for money for the balance of the present financial year and for the financial years commencing with the 1st November, 1918 and the 1st November 1919, and along with this a memorandum setting out the grounds upon which the Commission recommends the expenditure necessary for the development of above system. This memorandum should take the form of a brief, setting out all the

OFFICE OF THE SECRETARY OF THE
NAVY, WASHINGTON, D.C.

October 10, 1914

Mr. J. P. Morgan, Jr.,
New York, N.Y.

Dear Sir:

Very Sir:

The Government has been very anxious to secure
at the earliest possible date the necessary funds for the
construction of the new battleships, and has been very
careful to justify the action in the eyes of the public
and elsewhere, and has been very anxious to secure the
necessary funds for the construction of the new battleships
as early as possible. The Government has been very
careful to justify the action in the eyes of the public
and elsewhere, and has been very anxious to secure the
necessary funds for the construction of the new battleships
as early as possible.

It is very much to be regretted that the
Government has been unable to secure the necessary
funds for the construction of the new battleships
as early as possible. The Government has been very
careful to justify the action in the eyes of the public
and elsewhere, and has been very anxious to secure the
necessary funds for the construction of the new battleships
as early as possible.

The Government has been very anxious to secure
at the earliest possible date the necessary funds for the
construction of the new battleships, and has been very
careful to justify the action in the eyes of the public
and elsewhere, and has been very anxious to secure the
necessary funds for the construction of the new battleships
as early as possible.

The Government has been very anxious to secure
at the earliest possible date the necessary funds for the
construction of the new battleships, and has been very
careful to justify the action in the eyes of the public
and elsewhere, and has been very anxious to secure the
necessary funds for the construction of the new battleships
as early as possible.

W. W. Pope

-2-

15th June, 1918

arguments in favour of proceeding at once with this development that the Commission considers should be presented to the Minister of finance at Ottawa in order to support the request of the Province for permission to issue the necessary bonds.

I am asking Mr. Lucas to take this subject up with the Commission at once and to outline more fully to you what is required in order that we may have a complete file justifying the Order authorizing the work to proceed and the material necessary to fully present the application to the Minister of Finance for consent to raise the required money.

Yours truly,

W. H. Hearst.

C O P Y

H

12

(From letters and papers returned to Hydro by
C. C. Robinson)

June 26, 1918

Sir William Hearst,
Prime Minister of Ontario,
Parliament Buildings,
Toronto, Ont.

Dear Sir William:

At a meeting of the Commission I was requested to make application for an Order-in-Council authorizing the Commission to proceed with the construction of the Nipigon Development, at Cameron's Pool.

An agreement was entered into between the Hydro-Electric Power Commission and the Kaministiquia Power Co., bearing date of the 9th day of September, 1909, to extend for ten years from the date on which power was first delivered. This ten-year term would expire on the 30th day of April, 1920, unless notice, in writing, was given at least two years prior to the expiration of the first term, when it could be renewed for a further term of ten years. A corresponding agreement was entered into between the Commission and the Municipality of Port Arthur for the use by the municipality of the power being taken from the Kan. Power Company. This agreement runs concurrently with the Kan. Power Company's agreement with the Commission. A condition of the agreement with the Kan. Power Company, was that after the Commission had ordered 5000 h.p., if a further order was given and the Company had no power beyond 5000 h.p. available, the Commission should release the Company from all covenants to furnish power over the said 5000 h.p.

In 1917, the City of Port Arthur, by resolution, decided not to ask for a renewal of their contract with the Commission and requested the Commission not to renew the contract with the Kan. Power Company and, accordingly, the time elapsed for giving notice of renewal and the agreement was allowed to expire, in compliance with the said resolution.

Under date of November 11th, 1916, a joint resolution signed by the Mayor, City Clerk, Chairman and Secretary of the Public Utilities Commission of Port Arthur, was passed and a formal application made to the Commission for a development to supply power to the Municipality, based on estimates prepared by the Commission. Forms of agreement and enabling by-laws were submitted to the electors of Pt. Arthur and Pt. William, authorizing the execution of an agreement with the Commission. The by-laws in both cities were carried by very large majorities on Jan. 1st, 1917. The Port Arthur by-law authorized the Council to make an agreement with the Commission without further submission to the people. The Port William by-law provided that a form of agreement between the Commission and the City be again voted on by the people and, accordingly, this second by-law

June 26-1910

Sir William Hearst

-2-

was submitted to the people and approved by large majorities, on the 19th September, 1917. Agreements with both Port Arthur and Port William were then executed by the Commission and the Municipalities, as follows:

City of Port William dated Oct. 10th, 1917

City of Port Arthur, dated May 7th, 1917.

Both agreements provided for a supply of power for forty years, beginning with the expiration of the Commission's present agreement with the Kan. Power Company, which will expire on the 26th April, 1920. The agreement further provided that the Commission shall determine the most feasible location for power development.

The loads at Port Arthur have grown rapidly within the past few years, due to the supply of power to elevators, pulp mills, shipyards, coal docks and increased municipal requirements and additional power will be required for replacing steam equipment with electric power in a number of similar industries. This, together with the future demand for power in the Twin Cities, necessitates an additional development.

The present capacity of the Kaministiquia Power Company is insufficient to take care of the existing contracts at Port William and Port Arthur, and to take care of the immediate future demands in the two municipalities, and without providing in any way for the probability of larger industries coming to the Twin Cities.

From this it will be seen that the power situation in Port Arthur and Port William will present a very serious problem by the time the Kaministiquia Power Company agreement expires on April 26th, 1920.

Careful reports and estimates have been made by the Hydro-Electric Power Commission, covering the possibility of power development in the district in which Port Arthur and Port William are located, a copy of which is attached, and based on these reports and estimates, the Commission recommends that an initial development of 30,000 H.p. be undertaken, at once, on the Nipigon River, at Cameron's Pool. It is imperative that the construction work be proceeded with with all possible speed, in order that the Commission may be in a position to fulfill the agreements with the Cities of Port Arthur and Port William, for a supply of power after April 26th, 1920, the date at which their present contract with the Kaministiquia Power Co. will expire.

Note -
"Dec." in
pencil over
"April 26"

June 26, 1916

-3-

Sir William Hearst.

It is further recommended that in the initial development of 30,000 h.p. that provision be made for the increasing of capacity to 50,000 h.p. and 70,000 h.p., as required, in order that the requirements of the growing industries at Port Arthur and Port William may be properly taken care of.

In the Commission's report submitted it is estimated that -

\$4,419,560 - will be required for an initial development of 30,000 h.p., including a transmission line of from 60,000 to 70,000 h.p. capacity and that -

\$7,500,000 - will be required for a development of 50,000 h.p. with a transmission line of from 60,000 to 70,000 h.p., and that

\$6,750,000 - will be required for a development of 70,000 h.p. with a transmission line of from 60,000 to 70,000 h.p.

For the above reasons, among others, the Commission will be pleased if you will arrange for the necessary Order-in-Council to be passed authorizing them to proceed with this work.

Yours truly,

CHAIRMAN.

15

C O P Y

EXECUTIVE COUNCIL OFFICE

Copy of an Order-in-Council approved by His Honour the Lieutenant-Governor, dated the 4th day of July, 1918

Upon consideration of the application of the Hydro-Electric Power Commission of Ontario, dated 26th June, 1918, in that behalf, and upon the recommendation of the Honourable the Attorney-General, the Committee of Council advise that pursuant to the provisions of the Power Commission Act, Chapter 39, R.S.O. 1914 and amendments thereto, the Hydro-Electric Power Commission of Ontario be authorized to develop the water-power at Cameron's Pool on Nipigon River in the Township of Purdon in the District of Thunder Bay, Province of Ontario, such authority to cover the following matters:

1. The acquiring by purchase, lease or otherwise of the necessary lands, waters, water privileges and water powers for the developing of the said water power.
2. The purchase of necessary material and equipment for construction of a plant for the generation of 30,000 horsepower of electrical energy and for its transformation for transmission to the various municipalities in that District.
3. The purchase of necessary material and equipment for the construction of transmission lines and transformer stations for the delivery of the said power to the municipalities of the Cities of Port Arthur and Fort William and other municipalities in that District.

Certified,

(Sgd) M. Currey,

Ass't Clerk Executive Council.

C O P Y

K 16

December 11, 1918.

J. L. Matthews, Esq.,
Chairman, Public Utilities Commission,
PORT ARTHUR, ONT.

Dear Mr. Matthews:-

I am in receipt of your favor of the 7th inst.
re the Nipigon Development.

In connection with this matter, I may say that
the preliminary work at the Cameron's Pool site is actively
under way, and we are arranging for immediate construction
of a site from the C.N.R. to the site of the work to facilitate
the bringing in of materials.

The Commission propose to develop this power to
the extent, at the present, necessary to meet the demands of
the Municipalities of Port Arthur and Fort William.

The pulp interests you mention will be provided
for whenever they are in a position to execute a firm contract,
protected by an adequate guarantee as to the fulfillment of
the same for such power as they may require. We have already
advised Mr. Carrick to this effect, and the form of contract
we would require is in his hands.

Yours very truly,

CHAIRMAN.

December 11, 1918.

J. L. Matthews, Esq.,
Chairman, Public Utilities Commission,
PORT ARTHUR, ONT.

Dear Mr. Matthews:-

I am in receipt of your favor of the 7th inst.
re the Nipigon Development.
In connection with this matter, I may say that
the preliminary work at the Cameron's Pool site is actively
under way, and we are arranging for immediate construction
of a site from the G.W.R. to the site of the work to facilitate
the bringing in of materials.
The Commission proposes to develop this power to
the extent, at the present, necessary to meet the demands of
the Municipalities of Port Arthur and Port William.
The trip interest you mention will be provided
for whenever they are in a position to execute a firm contract,
protected by an adequate guarantee as to the fulfillment of
the same for such power as they may require. We have already
advised Mr. Carrick to this effect, and the form of contract
we would require is in his hands.

Yours very truly,

CHAIRMAN.

COPY

17

November 4th, 1921.

Mr. F. E. Titus,
Solicitor, Lands, Forests & Mines Dept.,
Parliament Buildings,
T O R O N T O.

Dear Sir:-

With reference to your request for information concerning the amount of power available for the Great Lakes Pulp and Paper Company, I beg to submit herewith the details which you have requested:-

- (1) Power was first available for the Great Lakes Pulp and Paper Company on March 15th, 1920.
- (2) The quantity of power that the Company required for their initial operation, and which was to be inserted in the contract to be entered into by them, was 10,000 H.P., which amount was available for their use on March 15th, 1920.
- (3) The quantity of power available for the Great Lakes Pulp and Paper Co., at the present time is 10,000 H.P.
- (4) The quantity of power not being used at the present time by the Nipigon Development on account of the Great Lakes Pulp and Paper Co., not being a user, is 10,000 H.P.
- (5) The amount of power available for the Great Lakes Pulp and Paper Co., from the Nipigon Development June 30th, 1921, was 10,000 H.P.

18
Mr. P. E. Titus.

- (6) Additional power can be obtained on notice by the installation of equipment only up to 75,000 H.P.

Trusting that you will find this information satisfactory,

I beg to remain,

Yours truly,

SECRETARY.

C O P Y

(Taken from Hydro file Re Great Lakes Paper Co.,
No. EM 1401-2)

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

Fort William March 23, 1920

SIR ADAM BECK,
TORONTO, ONT

DEPUTATION COMPRISING REPRESENTATIVE FORT WILLIAM CITY COUNCIL, BOARD OF TRADE AND LABOR ORGANIZATION LEFT MONDAY EVENING TO CONFER WITH GOVERNMENT IN EFFORT TO COMPEL HYDRO TO QUOTE SIMILAR PRICE FOR POWER AT MISSION SITE, FT. WILLIAM, AS HAD BEEN QUOTED AT THE BARE POINT, PT. ARTHUR. TRUST NO DEPARTURE FROM DECISION ARRIVED AT DURING CONFERENCE LAST WEEK WILL RESULT. HAVE ABSOLUTE CONFIDENCE IN HYDRO PROTECTING OUR INTERESTS AND THAT OF OTHER MUNICIPALITIES. ARE PREPARED TO RENDER ANY ASSISTANCE YOU MAY REQUIRE.

I. L. MATTHEWS

(Recd by phone 4:30 PM
A.M.M.)

ASH RAIL ADON BRCK

Whether it was ever considered that the point of delivery for the Great Lakes Paper Co. might be elsewhere than at Bare Point, i.e., at the boundary between Port Arthur and Port William

If not, what is the explanation of the following paragraph in a Memo. by Mr. Gaby to Mr. Pope, dated 7th February, 1920:

IT IS PROPOSED THAT THE COMMISSION'S LINE BE CONSTRUCTED ULTIMATELY TO A POINT WHERE THE LINE INTERSECTS THE BOUNDARY OF PORT ARTHUR AND PT. WILLIAM

(Copy of Memo. attached)

If the line had been constructed in the future as indicated by the Memo. by Mr. Gaby, would the price of power to the Great Lakes Co. then have been correspondingly reduced?

(See copies of letters attached - Hogarth - Pope - Gaby)

C O P Y

Toronto, Feb. 2, 1920

General Hornith to H.M.P.C.

Gentlemen:-

On behalf of the City of Port Arthur, I beg to acknowledge receipt of copy of draft agreement as submitted by the Hydro-Electric Power Commission of Ontario to the Great Lakes Paper Company Limited.

In this connection I am not quite clear as to the intent of Clause "d", para 1, of the Agreement.

What I would like to know is this:

- 1 - On what basis will the cost of power to the Company be determined in the event of their locating at a point in or near the northerly limits of the City of Port Arthur.
- 2 - On what basis will the price be determined in the event of the Company establishing their mill at a point in or near the westerly limits of Port William.

For your information, the northerly limits of Port Arthur site is something like 15 miles closer to the source of supply than the westerly Port William site.

Yours truly,

c/o Queens Hotel,
Toronto.

D. M. HOGARTH

C O P Y

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
EXECUTIVE CORRESPONDENCE

Feb. 3, 1930

MEMORANDUM TO

Mr. F. A. Gaby

Subject: Re attached letter from Gen. Hogarth

Will you kindly let me have a memo. as to what answer you would recommend being made to the attached.

Clause 1-d, as amended, would appear to cover his inquiry and show that the power is to be \$17.50 at the sub-station of the customer and they would be responsible for the construction of the line for all over 1000 ft., as provided for in that clause.

Yours truly

W. W. POSE

SECRETARY

Hydro File HM 1401-2

COPYHYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

EXECUTIVE CORRESPONDENCE

Feb. 7th, 1920

MEMORANDUM TO MR. FORD

Subject: Re Great Lakes Paper Co., Ltd.,
St. Arthur.

As stated in attached memorandum to me dated Feb. 3rd, it would appear that clause 1(d) does indeed cover the point of inquiry as you suggest in that it provides for a rate of \$17.50 at the substation of the customer provided the branch line to serve him does not exceed one thousand feet in length.

It is proposed that the Commission's line be constructed ultimately to a point where the line intersects the boundary between Port Arthur and Port William.

The rate will be increased proportionately for any increase in the length of the branch line to that customer over and above 1000 feet. As an alternative, the Company would have to supply the necessary capital to cover the expense of such excess length of the branch line.

F. A. GABY

CHIEF ENGINEER

Encl.

C O P Y

Feb. 10th, 1929

General D. Hogarth, M.P..
Port Arthur, Ont.

Dear Sir:-

Yours of February 2nd is before me, and has been given careful attention, and in confirmation of my telephone conversation with you, it would appear that Clause 1(d) as amended covers your enquiries in that it provides for a rate of \$17.50 at the sub-station of the customer provided the branch line to serve him does not exceed 1000 feet in length.

The rate will be increased proportionately for any increase in the length of the branch line to the customer over and above 1000 feet. As an alternative the Company would have to supply the necessary capital to cover the expense of such excess length of the branch line.

Trusting this will give you the information required, I remain

Yours truly,

SECRETARY

1940-1941

1940-1941

1940-1941

General D. H. ...

...

...

... of ... and in ...
... in ...
... with ... it ...
... in ...
... of ...
... the ...
... the ...
... the ...

... will be ...
... in the ...
... and ...
... have to ...
... the ...
... the ...

... this will ...
... I ...

...

...

25
ASK SIR ADAM BECK:

RE NIPACON DEVELOPMENT

What was the occasion of his ~~text~~ cablegram
of 11th January, 1920 to Mr. Gaby:

"SEE LUCAS ABOUT GREAT LAKES AGREEMENT.
PRINCIPLES FIXED BY COMMISSION UNALTERABLE.
IF NECESSARY HOLD AGREEMENT BY RETURN."

THE NEW YORK TIMES

IN THE CITY OF NEW YORK

What was the occasion of his visit to the city of New York, and what was the result of his visit?

THE NEW YORK TIMES, NEW YORK, N.Y., SATURDAY, JANUARY 1, 1900.

THE NEW YORK TIMES, NEW YORK, N.Y., SATURDAY, JANUARY 1, 1900.

THE NEW YORK TIMES, NEW YORK, N.Y., SATURDAY, JANUARY 1, 1900.

THE NEW YORK TIMES, NEW YORK, N.Y., SATURDAY, JANUARY 1, 1900.

THE NEW YORK TIMES, NEW YORK, N.Y., SATURDAY, JANUARY 1, 1900.

HYDRO ELECTRIC INQUIRY COMMISSIONRE NIPIGON DEVELOPMENTASK SIR ADAM BECK AND MR. POPE

Whether the statements in Mr. Matthew's letter, 17th March, 1920 are correct (copy attached.)

Why was the Hydro-Electric Power Commission willing to allow the Great Lakes Paper Co. to take power from the Kaministiquia Power Co.?

What reply was made to this letter of Mr. Matthews' dated 17th March, 1920? There does not seem to be any reply on the file.

27
C O P Y

(Taken from H.E.P.C. File Re Great Lakes Paper Co.,
No. EM 1401-2)

The Queens, Toronto,

March 17th, 1920.

The Hydro-Electric Power Commission of Ontario,
190 University Avenue,
Toronto, Ont.

Dear Sirs:

With reference to the meeting at Parliament Buildings this forenoon at which the Government, the Hydro-Electric Power Commission and the two Cities of Port Arthur and Fort William were represented, relative to the matter of Power supply and the cost thereof to The Great Lakes Pulp and Paper Co. in the District of Thunder Bay, our understanding of the decisions arrived at are as follows:

1. That the Power Contract will be drawn and negotiated as between the Hydro-Electric Power Commission of Ontario and The Great Lakes Pulp and Paper Co.

2. That the cost of Power embodied in such Contract will be \$17.50 per horsepower per annum at transmission voltage, delivered at or near a location in proximity to the north-eastern limits of the City of Port Arthur, but on the understanding that the Hydro-Electric Power Commission of Ontario obtains all monies from the Government at the interest rate of $4\frac{1}{2}\%$ covering development work on the Nipigon system.

3. That in the event of any location for the delivery of Power to the Great Lakes Pulp and Paper Co. being agreed upon, which is at a distance in excess of 1000 feet from the transmission line as originally proposed and terminating at the north-eastern boundary, of Port Arthur, the additional cost of transmission and loss of power thereby incurred shall be in addition to the aforementioned price of \$17.50 per horsepower per annum.

4. That for the consideration of one dollar per horsepower per annum for Power supplied at transmission voltage in addition to the aforementioned price of \$17.50 plus possible additional transmission and line loss costs, the Government will indemnify the Hydro-Electric Power Commission of Ontario and the municipalities against any loss, costs or damages due to failure of the Great Lakes Pulp and Paper Co. to take power through strikes of their employees.

March 17, 1920

5. That The Great Lakes Pulp and Paper Co. shall use no electric power other than that from the Hydro-Electric Power Commission of Ontario, ~~being~~ except that in the event of the Hydro-Electric Power Commission of Ontario being unable to supply all or any portion of the power required by the Great Lakes Pulp and Paper Co., then the Great Lakes Pulp and Paper Company shall be at liberty to obtain such deficiency of power wherever they desire but only for such period and so long as the Hydro-Electric Power Commission of Ontario are unable to deliver such power.

Trusting you will be in a position to give us confirmation of these matters in writing in order that we may have something definite to report to the Port Arthur City Council on our return.

Yours very truly,

I. L. Matthews

Mayor of Port Arthur

ANS. SIR ADAM BURN

RE: NIPIGON DEVELOPMENT

- 1 - On what basis the rate of \$25.00 per h.p. was struck for Port Arthur.
- 2 - What objection there would be, under all the circumstances, to make a flat rate of say \$20.00 per h.p. for Port Arthur and Port William.
- 3 - Would you advise against it?
- 4 - What power is there in the Hydro-Electric Power Commission to give contracts at a flat rate?
- 5 - Can you give a definite statement as to the different rates you quoted at different times?
- 6 - Do you think the two Cities are able to meet the cost on the regular basis at the present time?
- 7 - What arrangement should be made as to the balance of the charges not paid by the Municipalities?
- 8 - If the question of recommending the writing-off of part of the capital cost had been considered by the H. E. P. C.?
- 9 - Do you think the Judgment in the case of Attorney-General v. Great Lakes Paper Company has made any change in the policy of the H. E. P. C.?
- 10 - Would you advise a further deferring of Sinking Fund charges or any of the other charges?
- 11 - Would you advise any extension of the time for payment further than that authorized by Section 23A of the Power Commission Act?
- 12 - What would the cost per H.P. be on the basis of say 25,000 H.P. if you charged only operating expenses?
- 13 - Do you think the Government is under any obligation to come to the assistance of Pt. Arthur and Pt. William?
- 14 - How any such obligation should be met?

DATE 11-11-2011 BY 60322 JAL

- 1 - On what basis the rate of 0.05% per day was determined?
- 2 - What objection there would be, under all the circumstances, to make a like rate of 0.05% per day for the first year and then 0.10%?
- 3 - Would you advise against it?
- 4 - What power is there in the Hydro-Electric Power Commission to give contracts at a like rate?
- 5 - Can you give a definite statement as to the different rates you quoted at different times?
- 6 - Do you think the two rates are not the same on the regular basis at the present time?
- 7 - What arrangement should be made as to the basis of the charges now paid by the municipalities?
- 8 - Is the question of reorganizing the municipalities at present on the regular basis has been considered by the H. E. C.?
- 9 - Do you think the statement in the case of Attorney General V. Green Jones (Green Jones case) that there is no change in the policy of the H. E. C.?
- 10 - Would you advise a further deterring of business from changing to any of the other changes?
- 11 - Would you advise any extension of the time for payment further than that authorized by Section 111 of the Power Commission Act?
- 12 - What would the cost per K.W. be on the basis of say \$5,000 K.W. if you changed early operating expenses?
- 13 - Do you think the Government is under any obligation to come to the assistance of the power companies?
- 14 - How any such obligation should be met?

ASK SIR ARTHUR BURN

Re HIRSH DEVELOPMENT (Cont'd)

- 15 - To what extent have the costs of the Cameron Falls Development been increased owing to War conditions?
- 16 - How was it proposed to meet the competition of the Kaministiquia Power Company with its lower costs?
- 17 - Were any negotiations ever undertaken with the Kaministiquia Power Company looking to the taking over of the Plant?
- 18 - What would you advise as regards the Kaministiquia Power Company?
- 19 - Did you advise Fort Arthur not to renew its contract with the Kaministiquia Power Company?
- 20 - Do you still think that advice was sound?
- 21 - Why the estimates had not been published with the Fort William By-laws?
- 22 - Has the matter been brought to your attention?
- 23 - Has Major Pope acted on his own responsibility in advising against publishing the estimates?

AND OUR ANSWER:

TITLE TO LAND

Has the title to the land at Cameron Falls
been transferred to the Hydro-Electric Power
Commission?

RE HIPICON DEVELOPMENT (General)

ASK DIR ADAM BUCK:

NOTE - The Kaministiquia Power Company has a perpetual franchise in Ft. William after its agreement with the City expires in 1936 (v).

- 1 - What plan have you for meeting this competition?
- 2 - What rate will have to be fixed in order to induce the customers of the Company to switch to Hydro power?
- 3 - Were you aware in the spring of 1926 when the Crown rights to cut timber on the Black Sturgeon and Pic River limits were being advertised for sale that the successful tenderer under the terms of the advertisement would be entitled to the lease of a water power?
- 4 - When did you first learn that the successful tenderer had secured such a right?
- 5 - What representations did you make to the Government? When?
- 6 - Did you believe that the agreement of Carrick to relinquish the right to the lease of a water-power obligated him to take power from Hydro? Why? On whose advice?
- 7 - Did you doubt the obligation of Carrick or his assigns to take power at any time before the decision in Attorney-General of Ontario v. The Great Lakes Paper Co. Ltd?
- 8 - Was the Development at Hipicon preceded with on the assumption that the Carrick interests would require 10,000 or more H.P.
- 9 - Would any doubt as to the obligation of Carrick to take power have resulted in abandoning the scheme to develop power at Hipicon for the Dog Lake or some other less ambitious scheme?

10 - When were the Cities of Port Arthur and Ft. William first advised of the intention to develop power at Nipigon? How? Officially?

11 - Who, or what body was advised?

12 - Did you issue instructions to telegraph the Hydro's representatives in both Cities on December 26th provisional rates of power from the proposed Nipigon scheme?

13 - If not, who did?

14 - What steps were taken to get these new estimates before the electors?

15 - Was five days before the day of polling considered a reasonable time for publication?

16 - Has any by-law been submitted in Port Arthur since January 1st, 1917?

17 - What representations were made in Ft. William as to rates and as to site of development between Jan. 1st 1917 and September 19th, 1917, when the second by-law was submitted?

NOTE: The new Hydro Brief on Nipigon (page 10) states that "PROVISIONAL FIGURES RELATING TO THE NEW DOG LAKE DEVELOPMENT WERE PRESENTED TO FT. WILLIAM ON MARCH 24TH, 1917."

18 - Were alternative figures also submitted relating to Nipigon?

19 - Do you think that the Nipigon Scheme was fairly before the electors of Ft. William on Sept. 19th, 1917 to the exclusion of the Dog Lake Scheme?

20 - Why?

21 - If not, were the electors leaving it to the H.E.P.C. to develop either scheme as in their judgment seemed proper?

- 22 - When did the Commission decide to proceed with the Nipigon Development?
- 23 - Was it before May, 1918, (as stated in H.E.P.C.'s report on Nipigon, P.11 and 12)?
- 24.- Were the municipalities acquainted of the decision? How? When?
- 25.- Then it was 17 months after Port Arthur had voted on the by-law and 8 months after Port William had voted on the second by-law that the decision was reached?
- 26 - It is claimed by Port William (in typewritten statement submitted) that "The Kaministiquia Power Co. possessed, and still possesses (in 1917) about 12,000 surplus H.P." Do you dispute that statement?

ASK SIR ADAM BECK:

Assuming power sales at \$15.00, \$17.50 and \$20.00 per horse-power delivered at the sub-station at the boundary between Port Arthur and Port William over a period of years without increases or reductions of price what, on any reasonable anticipation of load, would be the deficits or profits per year upon these three (3) scales of price up to the time that the ultimate capacity of the plant is reached?

HYDRO ELECTRIC INQUIRY COMMISSION

July 11, 1922.

ASK MR. POPE

Mr. Pope should also be asked for his authority for the following statement in his memorandum to Sir Adam Beck, dated April 16, 1920:

"No objection raised to taking Hydro except as to the wording of the contract until the middle of January when the parties returned from Montreal. I am advised that Mr. Holt and his associates undertook to finance the Great Lakes 52% providing they would take Kan. power instead of Hydro. This I understand would necessitate locating at the Mission as they could not get Kan power at Port Arthur."

C O P Y

(Inter-Dept. Hydro memo. taken from file "Power Supply to J.J. Carrick, their No. 44) "

Toronto Apr. 16, 1920.

MEMORANDUM TO SIR ADAM BECK

The Pic Limit was awarded to G.J. Carrick on Dec. 12th 1916, and the Black Sturgeon to S.A. Marks on Feb. 6, 1917.

Marks subsequently assigned his interest in the Black Sturgeon to Carrick. With this was carried some suitable water power either with in the territory, or at some suitable point within the Province.

Exception was taken to this, and on October 15th, 1917, you wrote Sir William Hearst protesting against handing over of the Nipigon to private properties. In consequence, the lease was cancelled, and Hydro power at cost was to be substituted.

Mr. Carrick was at once asked for a contract, which appears by your letter of 27th October, 1917. A contract was prepared and submitted to the Government and an Order-in-Council passed approving of it, which was sent to Mr. Carrick.

In reply in October 1917 Mr. Carrick wrote, in says that "in my agreement with the Government, in conal of relinquishing the lease for power as advertised, the ment undertook to furnish me with the necessary power.

In March 1917 Sir William Hearst had writ Carrick that the Government would be able to make a with the Hydro for a supply of power, and Mr. Fory of Lands, Forests and Mines wrote on the same day Government would arrange for power.

Subsequently Carrick sold out to the Co. represented by Mr. Alsted. Several months was submitted to them. In December they call their Engineer, and spent a whole day in go

Subsequently, they took excep

Port Arthur and Fort William here early in December. The whole ma to except these two clauses.

The point of delivery a was discussed as not to exceed 10 existing pole line. Any line be by the Company.

In January after y suggested splitting the powe and the balance from the Hy

Apr. 16, 1920.

MEMORANDUM TO SIR ADAM BECK - 2-

Interviews were held with the Government and the Premier told the Attorney-General to advise them that they were obliged to take Hydro power, failing that and making a reasonable contract for its supply, steps would be taken to pass the necessary legislation to cancel their lease.

Interviews were held with a representative of the Company, the Commission and the Government. A letter was written by the Attorney-General advising that the power would be ready in 1921. Nothing was heard of the Kam. power being a party. No objection raised to taking Hydro, except as to the wording of the contract, until the middle of January when the parties returned from Montreal. I am advised that Mr. Holt and his associates undertook to finance the Great Lakes 52% providing they would take Kam Power instead of Hydro.

This, I understand, would necessitate locating at the Mission as they could not get Kam. Power at Port Arthur.

All arrangements were made with Port Arthur, a by-law prepared in November 1919, to extend the lines, the highway, waterworks, street railway by Port Arthur to the Bare Point Site.

The only existing contracts are those of Port Arthur and Port William. The Kam. Contract with Port Arthur ends in December 1920. Port Arthur has to start then taking power and unless other customers are secured will have to stand the cost of the power. Port William is not compelled to take any power until 1926.

Yours truly,

(unsigned)

Apr. 16, 1936.

- 2 -

MEMORANDUM TO HIS EXCELLENCY

Interviews were held with the Government and the British
solicitor the Attorney-General to advise them that they were
obliged to take Hyatt power, telling them and making a reason-
able contract for its supply, steps would be taken to pass
the necessary legislation to cancel their lease.

Interviews were held with a representative of the
Company, the Commission and the Government. A letter was
written by the Attorney-General advising that the power
would be ready in 1931. Nothing was heard of the Com.
power being ready. No objection raised to taking Hyatt
except as to the wording of the contract, until the middle
of January when the parties returned from Montreal. I am
advised that Mr. Holt and his associates understood so
clearly the great losses 50% providing they would take the
power instead of Hyatt.

This, I understand, would necessitate issuing to
the Minister as they could not get the power at Port Arthur.

All arrangements were made with Port Arthur, a 500
kw prepared in November 1919, to extend the line, the railway,
waterworks, across railway by Port Arthur to the Lake Point
side.

The only existing contracts are those of Port Arthur
and Port William. The Com. Contract with Port Arthur ends in
December 1930. Port Arthur has to start then taking power and
unless other contracts are secured will have to stand the cost
of the power. Port William is not compelled to take any power
until 1935.

Yours truly,

(signed)

HYDRO ELECTRIC INQUIRY COMMISSIONASK MR. POPE

What is the document (copy of which is attached hereto) which appears on the H.E.P.C. files:

Great Lakes Paper Co. - H.E. 1401-2

STING OPERATIONS UNDER NOMINATION

ALL INFORMATION

That in the document (copy of which is attached) which appears on the M.L.P. files (copy of which is attached) dated 10-1-68, the following is stated:

ALL INFORMATION contained in this document is to be kept confidential and not to be released to the public.

The only person who is authorized to release this information is the person who has been designated as the official source of information.

Very truly yours,

Enclosed

40
C O P Y

April 16th, 1920

COLONEL SIR ADAM BECK, Kt.

Re Great Lakes Paper Co. & Nipigon

Q - (a) Can the Government compel the Commission to change the standard contract with the Great Lakes Pulp & Paper Co.?

A - (a) No. The Government cannot compel the Commission to change their standard contract. The Commission are Trustees for the Municipalities, not for the Government, and they would have no right, as such trustees to make any contract or be compelled to make any contract that in their judgment would be detrimental to the interests of the Municipalities whose trustees they are.

Q - (b) Is it possible for the Government to assume any liability that the Company may be subjected to in the contract?

A. - (b) Yes. The Government can assume any liability of responsibility and indemnify either the Company or the municipalities providing it has the proper sanction of the Government.

Q - (c) Have the Government power to cancel the agreement with the Company, unless the Company will construct and have the mills in operation to take the power when the same becomes available?

A.- (c) I am of the opinion, and always have been, that the Government have full power to cancel the contract for the Great Lakes Company, or any other Company holding the lease refuse to comply with the terms of the lease. The Attorney-General in his correspondence with the Great Lakes people, advise them that power would be ready in February, 1921, and that they must take Hydro power, also that they must start building their works at once in order to be ready to take power on that date. Failing this that steps will be taken to cancel the Lease. He states that they must make a contract but that they shall take Hydro power at cost.

Yours truly,

21

HYDRO-ELECTRIC INQUIRY COMMISSION.

RE Hipigon Development

ASK MR. POPE.

- 1 - What were his reason fro sending the following telegram to Mr. Gaby on 12th March, 1920:

ATTENDED BEFORE CABINET LAST NIGHT. ALSTED AND THREE OTHERS PRESENT. THEY CLAIMED THEY HELD AN OPTION EXPIRING TODAY WITH KAM FOR TEN THOUSAND HORSE-POWER AND ASKED GOVERNMENT TO CONSENT TO LOCATING PLANT IN THE MISSION TO ENABLE THEM TO DEAL WITH OPTION. MAYOR AND EX-MAYOR PT. WILLIAM WITH HELLMUTH AS COUNSEL STRONGLY SUPPORTED THIS, ALSO MILLS AND BOWMAN. I URGED THAT THERE WAS NO PERSON PRESENT WHO COULD SPEAK FOR THE COMMISSION AND IMPORTANT THAT CHAIRMAN SHOULD HAVE OPPORTUNITY TO CONSIDER AND REQUESTED THAT MATTER STAND UNTIL CHAIRMAN'S RETURN. CABINET RULED THAT MATTER STAND UNTIL CHAIRMAN COULD BE PRESENT AND URGED THAT THIS BE MONDAY IF POSSIBLE AS THE PARTIES WERE WAITING.

W. W. Pope

To F. A. Gaby,
Hotel Vanderbilt, New York.

- 2 - What were his reasons for sending the following telegram to the Mayor of Port Arthur March 11, 1920:

"THE GOVERNMENT AT INSTANCE OF COMPANY CONSIDERING THE APPROVAL OF MISSION SITE AT PORT WILLIAM FOR THEIR PLANT. URGED AS SIR ADAM WAS LANDING IN NEW YORK TODAY AND WOULD BE HERE ON MONDAY NEXT THAT THE WHOLE MATTER STAND UNTIL HE RETURNS, IN WHICH THE GOVERNMENT CONCURRED. THOUGHT WELL TO ADVISE YOU.

W. W. Pope.

HYDRO-ELECTRICITY IN THE NORTH

RE: Hydro-Electricity

ALL INFORMATION

1 - That were his reasons for seeking the following information
to Mr. Gaby on 12th March, 1930:

ATTACHED BEFORE CABINET LAST NIGHT. ALBERT AND THOMAS
STANLEY PRESENT. FIRST CLAIMED BY Y. W. IN
OFFICE RELATING TO THE WITH THE TWO THOUSAND HORSE-
POWER AND ASKED GOVERNMENT TO COME OUT TO LOCATING PLANT
IN THE MOUNTAIN TO MAKE THEM TO BEAT THE OFFICE.
MAYOR AND MR. MAYOR ST. WILLIAM WITH PARSONS AS GOVERNMENT
PERSONNEL ATTACHED WITH. ALSO MILES AND BOWMAN. I
UNDERSTAND THAT THERE WAS NO PERSON PRESENT WHO COULD SPEAK
FOR THE COMMISSION AND THEREFORE THAT CHAIRMAN SHOULD
HAVE OPPORTUNITY TO CONSIDER AND REQUESTED THAT MILES
STAND BY IT CHAIRMAN'S RETURN. CHAIRMAN SAID THAT
MAYOR STATED THAT CHAIRMAN SHOULD BE PRESENT AND UNDER
THAT THIS BE MONDAY IS POSSIBLE AS THE LASTING WHEN
MILITARY.

W. W. Gaby

GO W. W. Gaby,
Hotel Vanderbilt, New York.

2 - That were his reasons for seeking the following information
from the Mayor of New York City on 11, 1930:

"THE GOVERNMENT AS INSTANCES OF COMPANY CONSIDERING
THE APPROVAL OF MILES AS A FACT WILLIAM FOR MILES
PLANT. FIRST AS HIS NAME WAS LANDING IN NEW YORK TODAY
AND WOULD BE HERE ON MONDAY NEXT THAT THE CHAIRMAN
STAND BY IT IN RETURN, IN WHICH THE GOVERNMENT SHOULD
CONSIDER. THROUGH WILL TO ADVISE YOU."

W. W. Gaby

42
HYDRO-ELECTRIC INQUIRY COMMISSION.

RE: NIPIGON DEVELOPMENT

ASK MR. GABY.

Why he advised Mr. Pope by telegram from New York, dated March 12, 1920, as follows:

"WOULD ADVISE YOU NOTIFY PORT ARTHUR THAT GOVERNMENT IS CONSIDERING THE APPROVAL OF MISSION SITE AT PORT WILLIAM FOR GREAT LAKES PULP AND PAPER CO. SIR ADAM ARRIVES TOMORROW MORNING. GABY."

What was the occasion of the instructions given by you to Mr. McBride on 22nd March, 1920 asking him amongst other things to estimate costs from a point on the boundary between Port Arthur and Port William?

ASK MR. F. A. GABY

In a letter from Mr. Pope to Sir William Hearst, dated June 13th, 1918 (marked "F") there is a reference to the cost of power, stating that the increased cost of 20,000 horsepower from 30,000 to 50,000 horsepower would be about \$3,000,000. whereas the extension of an additional 20,000 horsepower would only cost an additional amount of \$1,500,000. How do you account for this disproportion?

ANS. Mr. E. A. DART

In a letter from Mr. Pope to Sir
William Royston, dated June 15th, 1928 (marked "P")
there is a reference to the cost of power, stating
that the increased cost of 20,000 horsepower from
50,000 to 70,000 horsepower would be about \$2,500,000.
whereas the estimated of an additional 20,000 horse-
power would only cost an additional amount of \$1,500,000.
Now do you account for this discrepancy?

44
HYDRO-ELECTRIC INQUIRY COMMISSION.

RE: NIPISCON DEVELOPMENT

ASK MR. LUCAS.

On what information he acted in sending the following cablegram to Sir Adam Beck on the 13th January, 1920.

"UNLESS GREAT LAKES CO. SIGN STANDARD CONTRACT AND FURNISH BOND NOTHING WILL BE DONE UNTIL AFTER SESSION. IF DEADLOCK, GOVERNMENT FAVORABLY CONSIDER LEGISLATION."

Whether he acted as intermediary between the Government and the Hydro-Electric Power Commission in the negotiations which were then proceeding.

NIPICOM DEVELOPMENT

RE: GREAT LAKES PAPER COMPANY LIMITED

Points to be taken up with Mr. Alsted -

- I - Causes of Failure of Negotiations with H.R.P.C.
25th March, 1920
- II - Basis on which Negotiations might be Renewed.
- III - Bona Fides of intention on the Part of the
Company.
- IV - Site of Plant
- V - Price of Power
- VI - Terms of Contract
- VII - Circumstances of Extension Agreement 9th February,
1922.

NEGOTIATION

THE GREAT LAKES TARIFF COMMISSION

Report on the Negotiations with the U.S.

I - Summary of Results of Negotiations with U.S.A.
June 1930

II - Details of which Negotiations might be expected.

III - Some Notes of Interest on the Part of the
Company.

IV - Bill of Lading

V - Price of Freight

VI - Terms of Contract

VII - Circumstances of Extension Agreement with U.S.A.
1931.

Points to be taken up with Mr. Alsted -

111 - RECAPITULATION OF INTENTION ON THE PART OF THE COMPANY

Asked under "Price of Power"

(1)- Was it definitely understood at your conference with the H. E. P. Co. on the 5th December, 1919, and later, that while the price of power was to be \$17.50 per H.P. "at or near Port William or Port Arthur" you would have to pay for the transmission of the power to the Mission Site?

(2)- Did the price of \$21.00 per H.P. mentioned in your letter 28th April, 1920 (See page 145 herein) include the cost of transmission to the Mission Site?

(3)- The Commission would like you to state as much as you care to do what were the circumstances which caused you after December, 1919, to change your proposed location from Bare Point, east of Port Arthur, to the Mission Site. It is being stated that you visited Montreal and that this was the occasion of the change. The suggestion is that either inducements were offered that you take power from the Kaministiquia Power Company and that the interests connected with that Company proposed taking a financial interest in your Company.

(4) -What did you mean in your letter 28th April, 1920, in saying "there was then and now is no connection between the Kaministiquia Power Co. and our Company." (See page 147 herein)

(5)- Can you suggest any other reason why the H.E.P.Co. was not willing to furnish power at the Mission Site as cheaply as at Bare Point than that they had to include the cost of the transmission line in the price?

(6)- Was it because location at the Mission Site would make it possible for you to take Kam. power?

(7)- What do you say as to a statement which we find in the inter-office correspondence on the subject to the effect that you were offering the Limits for sale and that you were virtually in the position of a promoter? (Page 156 herein)

(8)- Do you know the circumstances under which the Ft. William ~~paper~~ Paper Company secured a contract with the Kam. Power Co.? Are you aware whether or not the H.E.P.Co. offered any objection?

Points to be taken up with Mr. Alsted -

III - REVENUE OF THE STATE OF THE DISTRICT

(1) - Was it definitely understood at your conference with the N. E. C. on the 15th December, 1912, and later, that while the price of power was to be \$12.00 per K.W. hour, you would have the right to vary the transmission of the power to the Mission Site?

Handwritten:
Should be
included in
the list of
points to be
taken up

(2) - Did the price of \$12.00 per K.W. hour mentioned in your letter dated April, 1920 (see page 145 hereof) include the cost of transmission to the Mission Site?

(3) - The Commission would like you to state in detail as you saw to do what were the circumstances which caused you after December, 1912, to change your proposed location from Lake Point east of Fort Arthur, to the Mission Site. Is it being stated that you visited Montreal and that this was the occasion of the change? The suggestion is that either instructions were offered that you take power from the Hamiltonian Power Company and that the interests connected with that company proposed taking a financial interest in your company.

(4) - What did you mean in your letter 22nd April, 1920, in saying "there was then and now is no connection between the Hamiltonian Power Co. and our company." (see page 147 hereof)

(5) - Can you suggest any other reason why the N.E.C. was not willing to transfer power at the Mission Site as cheaply as at Lake Point than that they had to include the cost of the transmission line in the price?

(6) - Was it because location at the Mission Site would make it possible for you to take power?

(7) - What do you say as to a statement which we find in the inter-office correspondence on the subject to the effect that you were visiting the Mission for sale and that you were visiting in the position of a promoter? (Page 146 hereof)

(8) - Do you know the circumstances under which the William Grey & Son Company secured a contract

Points to be taken up with Mr. Alsted -

V - PRICE OF POWER

- (1)- Was it definitely understood at your conference with the H.E.P.C. on the 5th December, 1919, and later, that while the price of power was to be \$17.50 per H.P. "at or near Fort William or Port Arthur" you would have to pay for the transmission of the power to the Mission Site?
- (2)- Did the price of \$21.00 per H.P. mentioned in your letter 23th April, 1920 (See page 145 herein) include the cost of transmission to the Mission Site?
- (3)- Were you ever given to understand that the cost of power to you would be the same at the Mission Site as at Bare Point?
- (4)- Were the representatives of Fort William mistaken in thinking that such a concession had been made to them?
- (5)- When the contract was amended at the conference 5th December, 1919, to read "At or near Fort William or Port Arthur" did you regard it as a substantial concession as regards the price of power?

Points to be taken up with Mr. Alsted -

VI - TERMS OF CONTRACT

- (1)- What is the real basis of the objections to the Hydro form of contract?
- (2)- What do you understand the attitude of the Government to ~~me~~ have been at the last conference toward the proposal that the Government should indemnify the Company and the Hydro-Electric Power Commission against loss by reason of an alteration of the Striking Clause?
- (3)- What was the attitude of the Company on this point?
- (4)- What was the attitude of the Hydro-Electric Power Commission on this point?
- (5) We understand that on 5th December, 1919, you had a long conference with Mr. Gaby and Mr. Pope with regard to the terms of the proposed power contract and that subsequent to the conference you dictated a memo (See page 142 herein) as to changes you desired. Was this memorandum correct as of that date?

Notes to be taken up with Mr. Alford -

VI - TERMS OF REFERENCE

(1) - What is the main basis of the objection to the Hydro form of contract?

(2) - What do you understand the attitude of the Government to be in having been in the last few years? Do you know the general state of the Government's attitude towards the Hydro form of contract and the Hydro-Electric Power Commission's attitude towards the Hydro form of contract? Do you know the attitude of the Hydro-Electric Power Commission towards the Hydro form of contract?

(3) - What are the reasons for the Government's attitude towards the Hydro form of contract?

(4) - What are the reasons for the Hydro-Electric Power Commission's attitude towards the Hydro form of contract?

(5) - Do you understand that on 1st December, 1912, you had a long conference with Mr. Gifford and Mr. Gifford with regard to the form of the proposed power contract and that subsequent to the conference you drafted a memo (see page 145 herein) as to changes you desired? Was this memorandum carried out at that date?

45
HYDRO ELECTRIC INQUIRY COMMISSION

July 11/22

ASK MR. ALSTED

Whether it is correct that Sir Herbert Holt undertook to finance the Great Lakes to the extent of 52% provided they located at the Mission site and took power from the Kan. Power Co.

Whether there were any negotiations between Mr. Alsted and Sir Herbert Holt or anyone else in which any of the above factors were considered. (Memo Apr. 16/20 to back attached.)

Whether the statement in Matthew's letter, 17th March, 1920, are correct (Copy of letter attached).

C O P Y

(Inter-Dept. Hydro memo. taken from file "Power Supply to J.J. Carrick, their No. 44)

Toronto, Apr. 16, 1920.

MEMORANDUM TO SIR ADAM BECK

The Pic Limit was awarded to J.J. Carrick on Dec. 12th, 1916, and the Black Sturgeon to S.A. Marks on Feb. 6th, 1917.

Marks subsequently assigned his interest in the Black Sturgeon to Carrick. With this was carried some suitable water power either within the territory, or at some suitable point within the Province.

Exception was taken to this, and on October 15th, 1917, you wrote Sir William Hearst protesting against handing over of the Kipigon to private properties. In consequence, the lease was cancelled, and Hydro power at cost was to be substituted.

Mr. Carrick was at once asked for a contract, which appears by your letter of 27th October, 1917. A contract was prepared and submitted to the Government and an Order-in-Council passed approving of it, which was sent to Mr. Carrick.

In reply in October 1917 Mr. Carrick wrote, in which he says that "in my agreement with the Government, in consideration of relinquishing the lease for power as advertised, the Government undertook to furnish me with the necessary power."

In March 1917 Sir William Hearst had written to Mr. Carrick that the Government would be able to make arrangements with the Hydro for a supply of power, and Mr. Ferguson, Minister of Lands, Forests and Mines wrote on the same date that the Government would arrange for power.

Subsequently Carrick sold out to the Great Lakes Paper Co. represented by Mr. Alsted. Several months ago a contract was submitted to them. In December they came here, with their Engineer, and spent a whole day in going over the contract.

Subsequently, they took exception to the strike clause.

Port Arthur and Port William representatives attended here early in December. The whole matter was discussed, and agreed to except these two clauses.

The point of delivery and the location of their works was discussed as not to exceed 1000 feet from the Commission's existing pole line. Any line beyond that was to be paid for by the Company.

In January after you arrived in England the Company suggested splitting the power, taking 10,000 H.P. from the Ham and the Balance from the Hydro.

47
Apr. 16/20

MEMORANDUM TO SIR ADAM BECK

- 2 -

Interviews were held with the Government and the Premier told the Attorney-General to advise them that they were obliged to take Hydro power, failing that and making a reasonable contract for its supply, steps would be taken to pass the necessary legislation to cancel their lease.

Interviews was held with a representative of the Company, the Commission and the Government. A letter was written by the Attorney-General advising that the power would be ready in 1921. Nothing was heard of the Kam. power being a party. No objection raised to taking Hydro, except as to the wording of the contract, until the middle of January when the parties returned from Montreal. I am advised that Mr. Holt and his associates undertook to finance the Great Lakes 52% providing they would take Kam Power instead of Hydro.

This, I understand, would necessitate locating at the Mission as they could not get Kam. Power at Port Arthur.

All arrangements were made with Port Arthur, a by-law prepared in November 1919, to extend the lines, the highway, waterworks, street railway by Port Arthur to the Bare Point site.

The only existing contracts are those of Port Arthur and Fort William. The Kam. Contract ~~xxx~~ with Port Arthur ends in December 1920. Port Arthur has to start then taking power and unless other customers are secured will have to stand the cost of the power. Fort William is not compelled to take any power until 1926.

Yours truly,

(Unsigned)

48
C O P Y

[QUEENS Hotel, Toronto, Letterhead]

(taken from H.E.P.C. File re Great Lakes Paper Co.
File H.M. 1401-2)

The Queens, Toronto.
March 17, 1920.

The Hydro-Electric Power Commission of Ont.,
190 University Avenue,
TORONTO.

Dear Sir:-

With reference to the meeting at Parliament Buildings this forenoon at which the Government, the Hydro Electric Power Commission and the two Cities of Port Arthur and Port William were represented, relative to the matter of Power supply and the cost thereof to the Great Lakes Pulp and Paper Co. in the District of Thunder Bay, our understanding of the decisions arrived at are as follows:-

1) That the Power Contract will be drawn and negotiated as between the Hydro-Electric Power Commission of Ontario and The Great Lakes Pulp and Paper Co.,

(2) That the cost of Power embodied in such Contract will be \$17.50 per horsepower per annum at transmission voltage, delivered at or near a location in proximity to the north-eastern limits of the City of Port Arthur, but on the understanding that the Hydro-Electric Power Commission of Ontario obtains all monies from the Government at the interest rate of 4½% covering development work on the Nipigon System.

(3) That in the event of any location for the delivery of Power to the Great Lakes Pulp and Paper Co. being agreed upon, which is at a distance in excess of 1000 feet from the transmission line as originally proposed and terminating at the north-eastern boundary, of Port Arthur, the additional cost of transmission and loss of Power thereby incurred shall be in addition to the aforementioned price of \$17.50 per H.P. per annum.

(4) That for the consideration of one dollar per horse power per annum for Power supplied at transmission voltage in addition to the aforementioned price of \$17.50 plus possible additional transmission and line loss costs, the Government will indemnify the Hydro-Electric Power Commission of Ontario and the municipalities against any loss, costs or damages due to failure of The Great Lakes Pulp and Paper Co. to take power through strikers of their employees.

(Matthews letter)

17 March, 1920.

5 - That The Great Lakes Pulp & Paper Co. shall use no electric power other than that from the Hydro-Electric Power Commission of Ontario, except that in the event of the Hydro-Electric Power Commission of Ontario being unable to supply all or any portion of the Power required by the Great Lakes Pulp and Paper Co., then The Great Lakes Pulp and Paper Co. shall be at liberty to obtain such deficiency of power wherever they desire but only for such period and so long as the Hydro-Electric Power Commission of Ontario are unable to deliver such power.

6-- Trusting you will be in a position to give us confirmation of these matters in writing in order that we may have something definite to report to the Port Arthur City Council on our return.

Yours very truly,

I.L. Matthews,

Mayor of Port Arthur.

570
HYDRO-ELECTRIC INQUIRY COMMISSION.

RE NIPIGON DEVELOPMENT

MEMO. FOR THE CHAIRMAN

I suggest that both Mr. Bowman and Mr. Mills might be asked informally for an expression on these points:-

What was the real motive or reason on the part of Mr. Alsted for proposing the change from Bare Point Site to the Mission Site?

Did Mr. Alsted have any reason for saying in his letter of March 6th, 1922, that "both the Government and ourselves desire the mill to be located on the Mission site at Fort William"? (See page 65, Brief on Great Lakes Paper Co.)

Whether they have any comment to make on the appearance that the H.E.P.C. on the one hand was anxious to have the Great Lakes Paper Company locate in Port Arthur, while the Government was supporting Fort William.

THE ALASKA DEPARTMENT

REPORT FOR THE YEAR

I beg to report that both Mr. Bennett and Mr. Miller
might be asked informally for an expression of their opinion.

What was the real motive of transfer of the
port of Mr. Alaskan for proposing the change from Point
Barrow to the Mission River?

Did Mr. Alaskan have any reason for saying in
his letter of March 22, 1922, that "the Government
and ourselves desire the bill to be passed on the Mission
River at Fort William"? (See page 25, Brief on Great Lakes
Paper 25.)

Whether they have any comment to make on the
appearance that the H.B.C. on the one hand was anxious to
have the Great Lakes Paper Company located in Fort William,
while the Government was supporting Fort William.

HYDRO-ELECTRIC INQUIRY COMMISSION

RE: NIPICO DEVELOPMENT

ASK MR. MORRIS: Fort William

Whether he or anyone in Fort William had any knowledge of the arrangement as set out in Para. 3 of Mr. Mathews' letter to the H.E.P.C. 17th March, 1920 (copy of this letter attached).

WYATT-REYNOLDS TRAVEL COMPANY

RE: REYNOLDS TRAVEL COMPANY

WYATT-REYNOLDS TRAVEL COMPANY

Whether he or anyone in Fort William had
any knowledge of the arrangements as set out in
Exhibit A of Mr. Reynolds' letter to the H.W.P.C.
It is noted, however, that this letter was dated

52
C O P Y

(Taken from H.B.P.C. File re Great Lakes Paper Co.
No. MM. 1401-2)

The Queens, Toronto
March 17th, 1920.

The Hydro-Electric Power Commission of Ontario,
190 University Avenue,
Toronto, Ont.

Dear Sirs:-

With reference to the meeting at Parliament Buildings this forenoon at which the Government, the Hydro-Electric Power Commission and the two Cities of Port Arthur and Port William were represented, relative to the matter of Power supply and the cost thereof to The Great Lakes Pulp and Paper Co. in the District of Thunder Bay, our understanding of the decisions arrived at are as follows:-

1. That the Power contract will be drawn and negotiated as between the Hydro-Electric Power Commission of Ontario and The Great Lakes Pulp and Paper Co.
2. That the cost of Power embodied in such Contract will be \$17.50 per horsepower per annum at transmission voltage, delivered at or near a location in proximity to the north-eastern limits of the City of Port Arthur, but on the understanding that the Hydro-Electric Power Commission of Ontario obtains all monies from the Government at the interest rate of 4½% covering development work on the Nipigon system.
3. That in the event of any location for the delivery of Power to the Great Lakes Pulp and Paper Co. being agreed upon, which is at a distance in excess of 1000 feet from the transmission line as originally proposed and terminating at the north-eastern boundary, of Port Arthur, the additional cost of transmission and loss of power thereby incurred shall be in addition to the aforementioned price of \$17.50 per horsepower per annum.
4. That for the consideration of one dollar per horsepower per annum for Power supplied at transmission voltage in addition to the aforementioned price of \$17.50 plus possible additional transmission and line loss costs, the Government will indemnify the Hydro-Electric Power Commission of Ontario and the municipalities against any loss, costs or damages due to failure of the Great Lakes Pulp and Paper Co. to take power through strikes of their employees.

(Taken from R.A.S.C. file re Great Lakes Paper Co.
No. 100-1001-1)

The Hon. J. G. Macdonald,
Minister of the Interior,
Ottawa, 1930.

The Hydro-Electric Power Commission of Ontario,
100 University Avenue,
Toronto, Ont.

Dear Sir:-

With reference to the meeting at Parliament Buildings
this afternoon at which the Government, the Hydro-Electric
Power Commission and the two Cities of Port Arthur and Fort
William were represented, relative to the matter of power
supply and the cost thereof to the Great Lakes Paper and Paper
Co. in the District of Thunder Bay, my understanding of the
discussion arrived at was as follows:-

1. That the Power Commission will be known and designated as
between the Hydro-Electric Power Commission of Ontario and
The Great Lakes Paper and Paper Co.
2. That the cost of power embodied in each contract will be
\$17.50 per horsepower per annum at transmission voltage,
delivered at or near a location in proximity to the north-
western limits of the City of Port Arthur, but on the under-
standing that the Hydro-Electric Power Commission of Ontario
shall make all matters from the Government in the interest of
of the covering developments work on the Niagara system.
3. That in the event of any location for the delivery of
power to the Great Lakes Paper and Paper Co. being agreed upon,
which is at a distance in excess of 1000 feet from the trans-
mission line as originally proposed and terminating at the
north-eastern boundary of Port Arthur, the additional cost
of transmission and loss of power thereby incurred shall be
in addition to the aforementioned price of \$17.50 per horse-
power per annum.
4. That for the consideration of one dollar per horsepower
per annum for power supplied at transmission voltage in
addition to the aforementioned price of \$17.50 plus possible
additional transmission and line loss costs, the Government
will indemnify the Hydro-Electric Power Commission of Ontario
and the municipalities against any loss, costs or damages due
to failure of the Great Lakes Paper and Paper Co. to take power
through service of their employees.

March 17th, 1920

5. That the Great Lakes Pulp and Paper Co. shall use no electric power other than that from the Hydro-Electric Power Commission of Ontario, except that in the event of the Hydro-Electric Power Commission of Ontario being unable to supply all or any portion of the power required by the Great Lakes Pulp and Paper Co. then the Great Lakes Pulp and Paper Company shall be at liberty to obtain such deficiency of power wherever they desire but only for such period and so long as the Hydro-Electric Power Commission of Ontario are unable to delivery such power.

Trusting you will be in a position to give us confirmation of these matters in writing in order that we may have something definite to report to the Port Arthur City Council on our return,

Yours very truly,

I.L.MATTHEWS

Mayor of Port Arthur.

5% and 5%
1921 Estimates

57
(EXTRACT FROM HYDRO FILE E.N. 1401-3)

February 25th, 1921

CHIEF ENGINEER (Attention Mr. R. T. Jeffery)

-Re GREAT LAKES PULP & PAPER COMPANY -

PORT ARTHUR

Estimate \$35023

According to your verbal request we are preparing estimates on the cost of delivering power at Port Arthur to the Great Lakes Pulp & Paper Company in conjunction with Port Arthur and the Nipigon Fibre & Pulp Company.

We have received from the Municipal Department the loads to be used as follows:-

	<u>Ft. William</u>	<u>Port Arthur</u>	<u>Nipigon Fibre Co.</u>	<u>Great Lakes</u>
2 units	nil	11,000	5,000	nil
3 units	nil	17,000	13,000	nil
4 units	nil	17,000	13,000	10,000
5 units	nil	17,000	13,000	20,000
6 units	10,000	17,000	13,000	20,000

We have received verbally from the Hydraulic Department and the Electric Engineering Department, the following costs to complete from two to six units:-

NIPIGON DEVELOPMENT

	<u>Electric</u>	<u>Hydraulic</u>	<u>Total</u>
Expenditure to Oct. 31/21	\$361,144.	\$3,153,462	\$3,514,606
Additional to complete 2 units	<u>638,856.</u>	<u>716,000</u>	<u>1,354,856</u>
Temp. Dam.	\$1,000,000.	\$3,869,462	\$4,869,462

February 1961, 1961

(Continued on page 2)

THE FOLLOWING IS A SUMMARY OF THE RESULTS OF THE TESTS:

TEST RESULTS

Test Results

According to the test results, the test results are as follows:
The test results are as follows:
The test results are as follows:
The test results are as follows:

The test results are as follows:

The test results are as follows:

Test Results	Test Results	Test Results	Test Results	Test Results
1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000

The test results are as follows:

The test results are as follows:

The test results are as follows:

TEST RESULTS

Test Results	Test Results	Test Results	Test Results	Test Results
1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000
1.000	1.000	1.000	1.000	1.000

CHIEF ENGINEER (Attention Mr. R. T. Jeffrey)

February 25th, 1921

	<u>Electric</u>	<u>Hydraulic</u>	<u>Total</u>
Additional for Perm. Dam.	<u>-</u>	<u>500,000</u>	<u>500,000</u>
<u>Total cost 2 units & Perm. Dam.</u>	<u>\$1,000,000.</u>	<u>4,369,462</u>	<u>5,369,462</u>
Additional for 3rd Unit	<u>805,000.</u>	<u>277,000</u>	<u>1,082,000</u>
<u>Total cost 3 units & Perm. Dam.</u>	<u>1,805,000.</u>	<u>4,646,462</u>	<u>6,451,462</u>
Additional for 4th Unit	<u>320,000</u>	<u>323,000</u>	<u>643,000</u>
<u>Total cost 4 Units & Perm. Dam.</u>	<u>2,125,000.</u>	<u>4,969,462</u>	<u>7,094,462</u>
Additional for 5th Unit	<u>805,000</u>	<u>450,000</u>	<u>1,255,000</u>
<u>Total cost 5 units & Perm. Dam</u>	<u>2,930,000</u>	<u>5,419,462</u>	<u>8,349,462</u>
Additional for 6th Unit	<u>320,000</u>	<u>340,000</u>	<u>660,000</u>
	<u>\$3,250,000</u>	<u>\$5,759,462</u>	<u>\$9,009,462</u>

Not knowing the location of the Great Lakes Pulp & Paper Company, I am submitting the costs at two points, namely Bear Point and Mission Property.

LINE

We have assumed that the present line will carry 14,000 h.p. to Fort Arthur but for the second proposition and those following we have figured on a double circuit line to Bear Point.

We understand that the present line from Sprucewood to the Nipigon Fibre & Paper Company Jet., which is wood pole construction will be left in service, after a steel line has been built from Nipigon Station to Sprucewood via Nipigon Fibre & Paper Company Jet. On this basis we have charged the Steel Tower Line between Nipigon Station and the N.F. & P. Co. Jet. to the N.F. & P. Co. and have charged the wood pole line from Sprucewood to the N.F. & P. Co. Jet. as a tie line common to all loads. The

100-443887-100

CHIEF ENGINEER (Attention Mr. R. T. Jeffery) February 25th, 1921

Steel Tower Line from the H.F. & P. Co. Jet. to Sprucewood to be built as part of the double circuit line to Port Arthur has been charged to loads at Port Arthur and the Great Lakes Pulp & Paper Company, etc.

The costs used for the lines are as follows:-

Wood pole line Nipigon Station to Sprucewood	-\$120,000.
Wood pole line Sprucewood to Bear Point	- 355,000.
Wood pole line H.F. & P. Co. Jet. to Sprucewood	- 43,000.
Steel Tower Line Nipigon Station to H.F. & P. Co. Jet.	- 176,000.
Steel Tower Line H.F. & P. Co. Jet. to Bear Point	- 820,000.
Bear Point to Inter-City Station, Steel Tower Line	- 275,000.
Inter-City Station to Mission Steel Tower Line	- 200,000.
Port Arthur Temporary Station	- 155,000
Meters for H.F. & P. Co.	- 2,200.
Meters for Great Lakes Pulp & Paper Co.	- 2,500.

We have allowed the following amounts for operation per annum of the various units:-

	OPERATION	WATER RENTAL	ADMINISTRATION	TOTAL
2 Units	\$25,000	\$12,500	\$5,000.	\$42,500.
3 Units	30,000	18,750.	5,000	53,750.
4 Units	35,000	25,000.	5,000	65,000
5 Units	40,000	31,250	6,000	77,250
6 Units	45,000	37,500	7,500	90,000

February 25th, 1921

CHIEF ENGINEER (Attention Mr. R. T. Jeffery)

We have included Municipal Administration for the Great Lakes Pulp & Paper Co. of one thousand dollars per year and the City of Port Arthur two thousand dollars per year.

Interest has been figured at 6%, Maintenance 1%, Sinking Fund 1% and Contingencies 25¢ per H.P.

Depreciation has been figured as follows:-

Hydraulic Generation	-	0.65%
Electrical	-	3.4%
Line, Wood Pole	-	4%
Line, Steel Tower	-	1.5%
Step-down Stns. & Meters	-	5.25%

The present line to Port Arthurnis single circuit 4/0 B & S., S.R. Aluminum and the line from Sprucewood on wood poles to the H.F.&P.Co.Jet. is the same size. The proposed steel tower line from Hixpigon Station via H.F.&P.Co.Jet, and Sprucewood to Port Arthur will carry single circuit 6/0 B.& S., S.R. Aluminum. The line from Bear Point to Inter-City Station is figured as double circuit 6/0 B.& S., S.R. Aluminum and the line from Inter-City Station to Mission is double circuit 6/0 B.& S., S.R. Aluminum.

February 25th, 1921.

CHIEF ENGINEER (Attention Mr. R. F. Jeffery)

	H.P.	Delv.	Cap. Cost	Water	Rentals					
		Volts	Per H.P.	+ Op.	+ Ad.					
						+ Cont.	Int. Maint.	Dept.	S.F.	
						6%	1%	Full	2%	1%
<u>2 Units</u>										
Port Arthur	11000	22000	403.57	4.61	29.01	53.04	39.36	45.39		
Nipigon Fibre Co.	3000	110000	374.56	3.96	26.42	50.16	35.41	39.15		
<u>3 Units</u>										
Port Arthur	17000	22000	301.70	5.16	21.26	24.28	39.53	42.55		
Nipigon Fibre	13000	110000	230.74	2.23	15.47	17.78	21.11	23.42		
<u>4 Units</u>										
Great Lakes Br. Pt.	10000	110000	226.69	2.27	15.38	13.15	21.97	24.24		
" " Mission	10000	110000	257.24	2.33	17.76	20.53	24.61	27.16		
<u>5 Units</u>										
St. Lakes Bear Pt.	20000	110000	202.97	2.04	14.21	16.24	19.80	21.83		
" " Mission	20000	110000	220.42	2.09	15.51	17.51	21.33	23.53		
<u>6 Units</u>										
St. Lakes Bear Pt.	20000	110000	178.54	1.95	12.66	14.45	17.34	19.13		
" " Mission	20000	110000	194.39	2.08	13.74	15.69	18.81	20.75		

Yours truly,

McB.

A. H. McB/T.

COST ACCOUNTING ENGINEER

(принад. Р. А. 72 колл. № 1) АННИОНА ХЕИНО

U.S. Police Dept. New York City
Police Dept. New York City

[illegible]

卷之五 雜著

1900

59

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
EXECUTIVE CORRESPONDENCE.

15th March, 1921

MEMORANDUM TO Chief Engineer (attention R. Jeffery)

Subject: Re Port Arthur

In connection with the attached memorandum from Mr. McBride concerning rates for the Great Lakes Pulp and Paper Co., the Nipigon Fibre Co., and Port Arthur, you will note that both Port Arthur rates and the rates for the Nipigon Fibre Co. are very much higher than either Port Arthur is paying at the present time, or the Nipigon Fibre Co. is called upon to pay in their contract.

Are there any instructions in connection with billing Port Arthur and the Nipigon Fibre Co. in view of the figures submitted in this estimate.

Yours truly,

T. G. James

TCJ/AP

ASSISTANT ENGINEER

MEMORANDUM FOR THE COMMISSIONER OF REVENUE

REVENUE DEPARTMENT

1921

MEMORANDUM FOR THE COMMISSIONER OF REVENUE

SUBJECT: [Illegible]

1. [Illegible]

2. [Illegible]

3. [Illegible]

4. [Illegible]

5. [Illegible]

6. [Illegible]

7. [Illegible]

8. [Illegible]

9. [Illegible]

10. [Illegible]

11. [Illegible]

Yours truly,

E. G. Jones

REVENUE DEPARTMENT

1921

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

EXECUTIVE CORRESPONDENCE

March 21, 1921

MEMORANDUM TO MR. R. T. JEFFERY

Subject: Port Arthur;

Rates to Great Lakes Pulp and Paper Co.

Referring to the attached estimate and covering memorandum from Mr. James, dated 15th March, 1921; please have the rates changed to 5% instead of 6%.

Yours truly,

F. A. Gaby

CHIEF ENGINEER

100-100000

1950

10. 10.000

U

1918

ESTIMATE #35023

March 21st, 1921.

MR. R.T. JEFFERY

Re; GREAT LAKES PULP & PAPER CO.
PORT ARTHUR

In accordance with the Chief Engineer's instructions of March 1st, I am revising our estimate #35023 submitted on February 24th, in connection with the above Company using 5% interest instead of 6% and bringing all hydraulic and electrical costs up to date.

<u>ITEM</u>	<u>ELECTRICAL</u>	<u>HYDRAULIC</u>	<u>TOTAL</u>
Expenditure Jan. 31-1921		\$3,759,200.	
Complete 2 Units & Temporary dam		293,000.	
Total cost of units & temporary dam	\$1,000,000	\$4,052,200.	\$5,052,200
Additional for permanent dam		500,000	500,000
Total Cost of two units & permanent dam	\$1,000,000	\$4,552,200	\$5,552,200
Additional for 3rd unit	805,000	297,000	1,102,000
Total cost of 3 units & permanent dam	\$1,805,000	\$4,849,200	\$6,654,200
Additional for 4th unit	320,000	297,000	617,000
Total cost of four units & permanent dam	\$2,125,000	\$5,146,200	\$7,271,200
Additional for 5th unit	805,000	447,000	1,252,000
Total cost of five units & permanent dam	\$2,930,000	\$5,593,200	\$8,523,200

March 1st, 1931.

MR. R. T. JEFFERY

Re: GREAT LAKES PULP & PAPER CO.
FORT ARTHUR

In accordance with the Chief Engineer's instructions of March 1st, I am revising my estimate #55023 submitted on February 24th, in connection with the above Company raising 5% interest instead of 6% and bringing all hydraulic and electrical costs up to date.

ITEM	ELECTRICAL	HYDRAULIC	TOTAL
Expenditure Jan. 31-1931 Complete 2 Units & temporary dam		\$3,759,200.	\$3,759,200.
Total cost of units & temporary dam	\$1,000,000	\$4,052,200.	\$5,052,200.
Additional for permanent dam	500,000	500,000	500,000
Total cost of two units & permanent dam	\$1,000,000	\$4,552,200	\$5,552,200
Additional for 3rd unit	500,000	237,000	1,102,000
Total cost of 3 units & permanent dam	\$1,800,000	\$4,849,200	\$6,649,200
Additional for 4th unit	320,000	237,000	617,000
Total cost of four units & permanent dam	\$2,120,000	\$5,146,200	\$7,271,200
Additional for 5th unit	300,000	447,000	1,252,000
Total cost of five units & permanent dam	\$2,920,000	\$5,593,200	\$8,513,200

-2-

MR. R. T. JEFFERY

<u>ITEM</u>	<u>ELECTRICAL</u>	<u>HYDRAULIC</u>	<u>TOTAL</u>
Additional for 6th Unit	\$ 320,000. ,	\$ 297,000	\$ 617,000.
Total cost of 6 units and permanent dam.	\$ 3,250,000.	\$5,390,200.	\$ 9,140,000.

L I N E S

The estimates cost of lines is as follows:-

Present line P1X50 Nipigon to Sprucewood 4/0 Alum	\$ 120,000.
Present line P50X2 Sprucewood to Bear Point 4/0 alum	355,000.
New line P1X56 Nipigon to Nipigon Fibre & Paper Co. steel towers 6/0 alum.	176,0000.
New line P56/X50 Nipigon Fibre & Paper Co. to Sprucewood, wood poles 4/0 alum.	43,000.
New Line P56X2 Nipigon Fibre & Paper Co. to Bear Point via Sprucewood steel towers 6/0 alum.	819,694.
New line Bear Point Inter-city station steel towers 6/0 alum.	275,000.
New line Inter-city station to Mission steel towers 6/0 alum.	200,000.

All other items with the exception of interest are the same as submitted in our memo. of February 24th.

On the above assumptions the cost of power works out as follows:-

MR. E. F. JEFFERY

ITEM	ELECTRICAL	HYDRAULIC	TOTAL
Additional for 6th Unit	\$ 320,000.	\$ 227,000	\$ 547,000.
Total cost of 6 units and permanent dam.	\$ 2,230,000.	\$ 2,230,200.	\$ 4,460,200.

LINE 2

The estimated cost of lines is as follows:-

Present line PIKE50 Nipigon to Sprucewood 4/0 wire	\$ 120,000.
Present line 250X2 Sprucewood to Bear Point 4/0 wire	\$ 225,000.
New line PIKE50 Nipigon to Nipigon River & Paper Co. steel towers 6/0 wire.	175,000.
New line 250X2 Nipigon River & Paper Co. to Sprucewood, wood poles 4/0 wire.	45,000.
New line 250X2 Nipigon River & Paper Co. to Bear Point via Sprucewood steel towers 6/0 wire.	315,000.
New line Bear Point Inter-city station steel towers 6/0 wire.	275,000.
New line Inter-city station to Mission steel towers 6/0 wire.	200,000.

All other items with the exception of interest are the

same as submitted in our memo. of February 24th.

On the above assumptions the cost of power works out as

follows:-

ESTIMATE #35023
March 21, 1921

MR. R. T. JEFFERY

Municipality	H.P.	Delv. Volts	Cap. Cost per HP	Water	Opr. Adm. Contg.	Int 5%	Maint 1%	Depn. Full %	S.F. 1%
				Rentals					
<u>2 Units</u>									
Pt. Arthur	11,000	22,000	\$415.37	4.81	25.58	29.73	36.19	40.34	
Nipigon Fibre Co.	5,000	110,000	586.33	3.96	23.28	27.14	32.53	36.39	
<u>3 Units</u>									
Pt. Arthur	17,000	22,000	308.46	3.16	18.58	21.66	26.95	30.03	
Nipigon Fibre Co.	13,000	110,000	237.40	2.23	14.10	16.47	19.84	22.21	
<u>4 Units</u>									
Gt.Lakes-Bare Pt.	10,000	110,000	231.12	2.27	13.83	16.14	19.99	22.30	
" Mission	10,000	110,000	261.67	2.33	15.41	18.03	22.34	24.96	
<u>5 Units</u>									
Gt.Lakes -Bare Pt	20,000	110,000	206.44	2.04	12.36	14.42	18.01	20.07	
" -Mission	20,000	110,000	223.89	2.09	13.28	15.52	19.37	21.61	
<u>6 Units</u>									
Gt.Lakes -Bare Pt	20,000	110,000	180.72	1.95	10.99	12.80	15.97	17.78	
" -Mission	20,000	110,000	196.67	1.98	11.81	13.78	17.19	19.16	

Yours truly,

McB.

McB/D

COST ACCOUNTING ENGINEER

AGREEMENTS

BETWEEN:-

Hydro-Electric Power Com'n.

- and -

Great Lakes Paper Co. Ltd.

1. Memo re negotiations November 1919 to March 1920.
2. Agreement No. 1, November 1919.
3. Agreement No. 2, December 15, 1919.
4. Agreement No. 3, January 7, 1920.
5. Agreement No. 4, March 25, 1920.

4

1
53

HISTORY OF NEGOTIATIONS BETWEEN THE H. E. P. C.
AND GREAT LAKES PAPER COMPANY, LTD. RE POWER
CONTRACT

1. On the 6th day of November, 1919 an Order in Council was passed on the recommendation of Sir William Hearst, acting for the Attorney General, authorizing the H.E.P.C. "to enter into a contract with the Great Lakes Paper Co., Ltd., for the supply of electrical power or energy as provided in the draft contract attached hereto." (A copy of the Order in Council, together with the draft contract referred to was submitted as an exhibit at the Ft. Arthur-Ft. William hearings of the Commission - Exhibit 501)

The draft agreement referred to may be summarized as follows:

- See pages 1. agreement up. 9.*
- (a) Location - "in or near Port Arthur"
 - (b) Amount of Power - "not less than 14,000 - 16,000 H.P. or more than-----H.P."
 - (c) Date of Delivery - "not earlier than June 1st, 1921 or later than Aug. 1st, 1921."
 - (d) Point of Delivery - "at the point of delivery herein defined as the end of the Commission's transmission line on the last pole nearest to the consumer's sub-station."
 - (e) Cost of Power - "17.50 per H.P. per annum for all power taken or held in reserve up to 20,000. "When the amount taken or held in reserve exceeds 20,000 H.P. then for all \$17.50 per H.P. "When amount taken or held in reserve exceeds 30,000 H.P., then for all \$16.50 per H.P. per annum."
 - (f) Voltage - 110,000 volts - customer to erect sub-station.
 - (g) Strike Clause - During interruption as caused "The Commission shall not be bound to deliver such power during such time and the customer shall not be bound to pay for such power during such time."

His Message

(h) Customer to furnish Bond - amount left blank

(i) Term of Contract - blank

2. The draft contract appears to have been amended before submission to the Company, by filling in spaces left blank in the original draft.

3. On November 25, 1919, H. Murphy, Esq., Mayor of Ft. William wrote the Premier asking "that no power contract be signed without these Cities being represented." A letter in similar terms was addressed to the Premier the same date by the Ft. William Board of Trade. (See Bluebook Return 1920, pages 12 and 13).

4. On December 6th, 1919, Alsted wrote to Beck setting out his objections to the contract as submitted to him, (See page 35, Bluebook Return, 1920) The objections were briefly as follows:

(a) Bond for \$500,000 for a period of 10 years,

(b) The strike clause,

(c) To terms of contract,--suggested that price of power should be fixed for period of 40 years and that manufacturer be permitted to contract for its use over a short period with the option to renew from time to time upon reasonable notice to the Commission during the period of 40 years.

(d) That contract should include a clause providing that consumer shall be entitled to as low power charges as may be given by the Commission to any other consumer in the district.

5. On or about Dec. 18th, 1919, a new contract was submitted by the Commission to the Company. A copy of the redrafted agreement (hereafter called Agreement No.2) was filed as an exhibit at the Ft. Arthur-Ft. William hearings -Ex. 504. It is evident that the representations of Mr. Alsted and of the

No. 2
Agreement
See pages 28-39
19-20

City of Ft. William had been considered. Agreement No.2 may be summarized as follows:

- (a) Location - "in or near Ft. Arthur or Ft. William."
- (b) Amount of Power - "13,500 H.P." ✓
- (c) Date of Delivery - Not earlier than Feb. 1, 1921
- (d) Point of Delivery - "At the entrance structure of the consumer's sub-station." The consumer agrees to pay cost of entrance structure and for erection of branch transmission line nearest the consumer's sub-station.
- (e) Cost of Power - No change (\$17.50)
- (f) Voltage - No change (110,000)
- (g) Strike Clause - no change
- (h) Bond - \$500,000 - with a proviso that "when customer's plant and works contemplated herein are completed and in operation, if the financial standing of the customer is such that some other method of securing the Commission satisfactory to the Commission is agreed upon, same shall be substituted for the bond, otherwise the said bond is to continue in full force and effect for the full term."
- (i) Term of contract - "20 years from the date of first taking of power"--with the right to customer to continue for 2 further terms of 10 years each on notice - total 40 yrs.

6. Agreement No.2 evidently did not meet with the approval of the Company because on 7th January, 1920, there was a conference in Mr. Raney's office including Mr. Alsted, Mr. Lecher, Mr. Lucas, Mr. Dymond and others representing the Government and the H.E.P.C. At this conference Agreement No.2 was materially amended, and a copy of the agreement with amendments in Mr. Raney's handwriting is on File No.3840-20 in the Attorney General's Dept. The agreement as amended,

City of St. William had been considered. Agreement No. 12

may be summarized as follows:

(a) Transfer - "In or near St. William or St. William."

(b) Transfer of Power - "12,000 H.P."

(c) Transfer of Property - "Not earlier than 1951, 1952"

(d) Transfer of Property - "At the entrance of the

of the Government's and the Government's. The Government

transfer to pay cost of entrance

transfer and pay cost of entrance

transfer the Government's and

transfer

(e) Transfer of Power - "No change (1951-52)"

(f) Transfer - "No change (1951-52)"

(g) Transfer - "No change"

(h) Transfer - "1951-52" - "At the entrance of the

Government's and the Government's. The Government

transfer to pay cost of entrance

transfer and pay cost of entrance

transfer the Government's and

transfer the Government's and

transfer the Government's and

transfer the Government's and

transfer."

(i) Transfer of Power - "12,000 H.P." - "At the entrance of the

Government's and the Government's. The Government

transfer to pay cost of entrance

transfer and pay cost of entrance

transfer the Government's and

Agreement No. 12. It is not necessary to have the agreement

at the Government's and the Government's. The Government

transfer to pay cost of entrance

transfer and pay cost of entrance

transfer the Government's and

transfer the Government's and

transfer the Government's and

transfer the Government's and

67
Agreement No. 3
See pages 40-52

(hereafter referred to as Agreement No. 3) was tendered as an exhibit in the Ft. Arthur-Ft. William sittings of the Commission - marked Exhibit 505) Agreement No. 3 may be summarized as follows:

- (a) Location - no change "in or near Ft. Arthur or Ft. William."
- (b) Amount of Power - 13,500 H.P.
- (c) Date of Delivery - no change - "not later than Feb. 1st, 1921"
- (d) Point of Delivery - no change
- (e) Cost of Power - no change (@17.50)
- (f) Voltage - no change, 110,000
- (g) Strike Clause - no change
- (h) Bond - reduced from \$500,000 to \$400,000 and limited to a "space of 10 years" instead of for the full term of the agreement.
- (i) Term of contract - No change

NOTE: The changes made at Mr. Ramey's conference included:

- (1) Clause "a" relating to the necessity of the Company getting ready to receive power by 1st Feb, 1921 varied extending the date to Feb. 1st, 1922, if the Company is able to show that everything in its power has been done to get ready by the 1st Feb, 1921.
- (2) Clause "c" of Sec. 2 varied giving the Company right to procure power elsewhere in the event of the Commission failing to furnish all the power required by the Company under the terms of the contract.
- (3) Clause "d" Sec. 5 varied with regard to interruption for repairs
- (4) Clause "b" of Sec. 4 varied with regard to the liability of the customer for damage to property or apparatus furnished by the Commission.

28

(5) Sec.7 relating to the enforceability of the contract varied by adding at the end thereof the following sentence: "An award made under this clause may be enforced in the same manner as a judgment or order of the Supreme Court of Ontario to the same effect and may be made a rule of Court for that purpose."

(6) Duration of Bond limited to 10 years.

7. On the afternoon of the conference, Jan. 7th, 1920, Mr. Pope had 5 copies of Agreement No.5 delivered to Mr. Alsted at the King Edward Hotel "without letter or comment."
8. On Jan. 13th, 1920, Mr. Alsted's solicitor (Locher) wrote to Hon. Mr. Bowman acknowledging receipt of the new draft and setting out his objections to its terms. Objection is still taken to the Bond, and the Strike Clause. (The letter is set out in full on page 58 of Bluebook Return 1920)
9. No answer was sent to this letter until Jan. 27, 1920, when a letter was addressed by the Attorney General to Mr. Alsted's Toronto solicitors, Johnston, McKay, Dods & Grant. (See letter set out in full on page 57 of Bluebook Return 1920.)
10. On Feb. 2nd, 1920, Mr. Pope wrote to Mr. Raney advising him that Agreement No.5 omitted an amendment that should be inserted. The amendment varies Clause "d" of Sec.1 of Agreement No.5 by adding after the words "transmission line" the words "in excess of 1,000 feet in length measured from that pole of the present transmission line," so that the last

(2) Dec. 7 relating to the enforceability of the same-
stand varied by making at the end thereof the
following statement: "It is hereby agreed that this
agreement may be enforced in the same manner as a
judgment or order of the Supreme Court of Ontario
to the same extent and may be made a rule of
Court for that purpose."

(3) Duration of bond limited to 10 years.

7. On the afternoon of the 22nd of January, 1930, Mr.

Page had 3 copies of Agreement No. 2 delivered to Mr.

Alfred as the King Edward Hotel without letter or comment.

8. On Jan. 13th, 1930, Mr. Alfred's solicitor (Lester)

wrote to Mr. Mr. Lester acknowledging receipt of the two

deeds and stating that his objection to the same. Mr. Lester

is still taken to the land, and the parties discuss.

Letter is set out in full on page 26 of Exhibit No. 10.

9. No answer was sent to this letter until Jan. 27, 1930.

When a letter was addressed by the Attorney General to Mr.

Alfred's former solicitor, Mr. Lester, dated a return.

(See letter set out in full on page 27 of Exhibit No. 10.)

1930.

10. On Feb. 2nd, 1930, Mr. Lester wrote to Mr. Lester advising

him that Agreement No. 2 existed in accordance with what he

learned. The agreement varies clause 2 of Dec. 1 of 1929-

most No. 2 by adding after the words "transmission line" the

words "in excess of 1,000 feet in length measured from the

edge of the road" and the words "transmission line" after the word

39

subject does it make sense?

sentence of Clause "d" will read:

"The consumer agrees to pay the cost of entrance structure and for the erection of branch transmission line in excess of 1,000 feet in length measured from that pole of the present transmission line nearest the consumer's sub-station."

11. On Feb. 11th, 1920, Alsted's American solicitors (Lecher) wrote Hon. Mr. Bowman in answer to Mr. Raney's letter of 27th January, 1920. (Both Mr. Alsted and Mr. Lecher were in Toronto when this letter was written) The letter replies to the letter of Mr. Raney who had requested an answer preceding a conference.
12. On Feb. 13th, 1920, there was a conference between Mr. Drury, Mr. Raney, Mr. Mills, Mr. Bowman, Mr. Alsted and Mr. Lecher. The result of this conference from Mr. Alsted's viewpoint is set out in his letter of Feb. 21, 1920, which is set out in full on page 63 of Bluebook Return, 1920). Following the conference the Government stated it was unable to dispose of the matter until the return of Sir Adam Beck. Mr. Alsted's statements as to the result of the conference might be summarized as follows:
- (a) The Company agreed to pay \$13.50 per H.P. per annum for 13,500 H.P. in reserve.
 - (b) To undertake expense of transmission line in excess of 1000 feet.
 - (c) The Strike Clause to be stricken out or to be made mutual.
 - (d) Mr. Alsted agreed to accept the bond requirement as set out in Agreement No. 5 on condition that the power contract was definitely settled and submitted not later than February 14th.

see Hydro cables

13. No developments occurred until after the return of Sir Adam Beck from England about March 15th, 1920.

14. On March 25th the final conference was held between the Government, the H.E.P.C. and Alsted. At this conference Agreement No.4, which is set out in full on page 24 of the Bluebook Return, 1920, was submitted by the H. E. P. C. to Mr. Alsted for signature. The parties failed to come to an agreement and litigation immediately ensued.

No. 4
Agreement
see Blue
Book

Agreement No.4 may be summarized as follows:

- (a) Location - no change "in or near Ft. Arthur or Ft. William
- (b) Amount of Power - no change, 15,500 H.P
- (c) Date of Delivery - no change - "not later than Feb. 1st, 1921."
- (d) Point of Delivery - no change
- (e) Cost of Power - \$18.50 - \$18.00 - \$17.50.
- (f) Voltage - 110,000
- (g) Strike Clause - no change
- (h) Bond - No change, \$400,000 - 10 years
- (i) Term of contract - no change

No developments occurred until after the return of

13.

Mr. Adam Smith from England about March 1930.

On March 1931 the final settlement was held between

14.

the Government, the R.E.F. and Allied. At this conference Agreement No. 4, which is set out in full in page 34 of the Appendix B, 1930, was submitted by the R.E.F. to Mr. Smith for signature. The committee failed to come to an agreement and discussion immediately ensued.

Agreement No. 4 may be summarized as follows:

- (a) Resettlement - no change in ex rate of £1.00 to 12.50.
- (b) Amount of loan - no change, £1,000,000.
- (c) Rate of interest - no change - 10% per annum.
- (d) Period of maturity - no change - 10 years.
- (e) Cost of loan - £12.50 - £14.00 - £15.00.
- (f) Interest - 10% per annum.
- (g) Other terms - no change.
- (h) Rate - no change, £100,000 - 10 years.
- (i) Form of currency - no change.

7 /

Copy of an Order-in-Council approved by His Honour the Lieutenant Governor, dated the 6th day of November, A. D. 1919.

Upon the recommendation of the Honourable Sir W. H. Hearst, Acting for Attorney General, the Committee of Council advise that in accordance with the requisition of the Hydro Electric Power Commission of Ontario, and pursuant to Section 21 of the Power Commission Act, Chapter 39, R.S.O. 1914, the Hydro Electric Power Commission of Ontario be authorized to enter into a contract with the Great Lakes Paper Company, Limited, for the supply of Electrical power or energy as provided in the draft contract attached hereto.

Certified,

"J. Lonsdale Capreol".

Clerk, Executive Council.

Agreement No. 1
Draft contract
November 1919

THIS AGREEMENT made in triplicate the
..... day of.....
in the year of our Lord.....
..... ().

BETWEEN:

THE HYDRO-ELECTRIC POWER COMMISSION
OF ONTARIO, herein called the
"Commission",

Party of the First Part,

- and -

GREAT LAKES PAPER COMPANY, LIMITED,
herein called the "Customer"

Party of the Second Part.

WHEREAS pursuant to the Power Commission Act
R.S.O. 1914, and amendments thereto, the Customer has
applied to the Commission for a supply of electrical
power or energy for the operation of a Pulp and Paper
mill to be located in or near Port Arthur.

AND WHEREAS the Customer has agreed with the Corporation of the to erect, operate and maintain a

AND WHEREAS the Commission has available for the Customer's use sufficient electrical power for the purposes of this agreement, or will make the necessary arrangements for securing sufficient electrical power therefor.

AND WHEREAS the Commission will be required to incur expense and risk in providing for the supply of power hereunder;

NOW THEREFORE THIS INDENTURE WITNESSETH the in consideration of the premises and of the agreements of the parties hereto each agrees with the other as follows:-

AND WHEREAS the Government has agreed

with the Corporation of the

elect, operate and maintain a

AND WHEREAS the Corporation has available

for the Government's use electrical equipment power

for the purpose of such equipment, or will make the

in necessary arrangements for receiving and

electrical power therefor.

AND WHEREAS the Corporation will be

required to incur expense and risk in providing for

the supply of power hereunder;

NOW THEREFORE THIS INSTRUMENT WITNESSETH

that in consideration of the premises and of the agree-

ments of the parties hereto each agrees with the other

as follows:-

1. The Commission agrees:-

(a) to reserve for and deliver to the Customer not less than 14,000 - 16,000 H. P. or more than horse power of electrical power or energy at the point of delivery hereinafter specified beginning on sixty (60) days' previous notice in writing, not earlier than June 1st, 1921, or later than August 1st, 1921, and extending for the period of this agreement.

(b) to deliver to the Customer such additional electrical horse power as the Commission may have available from time to time when required by the Customer and after reasonable notice in advance.

(c) to use at all times first class, modern, standard, commercial apparatus and plant and to exercise all due skill and diligence so that the service rendered to the Customer hereunder shall be satisfactory.

The Commission agrees:-

(a) to reserve for and deliver to the

Contractor not less than 10,000 - 15,000 H.P. or

more than

power or energy at the point of delivery hereinafter

specified beginning on a day (to) day, previous

notice in writing, not earlier than June 1st,

1911, or later than August 1st, 1911, and extending

for the period of three years.

(b) to deliver to the Contractor such

additional electrical power as the Commission

may have available from time to time when required

by the Contractor and after reasonable notice in advance.

(c) to use at all times first class,

modern, steam driven, commercial apparatus and plant and

to exercise all due skill and diligence so that the

service rendered to the United States shall

be satisfactory.

(a) To deliver commercially continuous twenty-four (24) hour power every day in the year, except as provided herein, at the point of delivery herein defined as the end of the Commission's transmission line on the last pole nearest to the Customer's sub-station.

2. The Customer agrees:-

(a) To use all diligence by every lawful means in his power to prepare for the receipt and use of the power covered by this agreement, so as to be able to receive power on the date herein set forth.

(b) To pay to the Commission for all power used or held in reserve in monthly payments in gold coin at Toronto, Ontario, under the following schedule or rate:-

\$17.50 per H.P. per annum for all power taken or held in reserve up to 20,000 H.P.

When the amount taken or held in reserve exceeds 20,000 H.P. then for all \$17.00 per H.P. per annum.

When the amount taken or held in reserve exceeds 20,000 H.P. then for all \$16.50 per H.P. per annum.

(a) To deliver substantially continuous
twenty-2 or (24) hours power every day in the year.
except as provided herein, at the point of delivery
into the system on the end of the transmission
transmission line on the last day preceding the
customer's day-off.

2. The Government agrees:-
(a) To use all facilities by every lawful
means in his power to procure for the system and one
of the best covered by this agreement, and to be
able to receive power on the date herein set forth.
(b) To pay to the Commission for all power
used or held in reserve in accordance with the
plan as set forth, Ontario, under the following schedule
or table:-

\$17.50 per M.W. per annum for all power taken
or held in reserve up to 20,000 M.W.
When the amount taken or held in reserve exceeds
20,000 M.W. then for all \$17.50 per M.W. per annum.
When the amount taken or held in reserve exceeds
30,000 M.W. then for all \$12.50 per M.W. per annum.

and each month's payments to be made as though the maximum amount taken during that month were taken for the whole month, save that paragraph (c) hereof shall govern the minimum.

One horse power is defined as equivalent to 746 watts.

(c) To take power exclusively from the Commission for the term of this agreement, and not to sell or dispose of said power, or any part thereof, directly or indirectly without the written consent of the Commission.

(d) If the Customer during any month takes more than the amount of power ordered and held in reserve for him for ten (10) consecutive minutes the taking of such excess power shall thereafter constitute an obligation on the part of the Customer to pay for, and on the part of the Commission, as long as this greater amount does not exceed the maximum provided for herein, to hold in reserve such increased quantity of power in accordance with the terms and conditions of this agreement.

(e) To pay each month to the Commission as a minimum for seventy-five per cent (75%) of the power held in reserve for the Customer, as provided for herein, at the rates fixed herein, except as provided for in clause 5 (b) hereof.

(c) To take over exclusively from the

Commission for the term of this agreement, and not

to sell or otherwise dispose of this power, or any part
thereof, directly or indirectly, without the written

consent of the Commission.

(d) If the Commission during any month

takes more than the amount of power authorized and
held in reserve for the term (15) consecutive

months the taking of such excess power shall

constitute a violation of the provisions of the law

of the Commission to pay for, and on the part of

the Commission, as long as such power remains

been not used the amount provided for reserve.

to hold in reserve and in excess thereof.

power in accordance with the laws and regulations

of this agreement.

(e) The law shall apply to the Commission

as a minimum for seventy-five per cent (75%) of the

power held in reserve for the Commission, as provided

for herein, at the rates fixed herein, except as

provided for in Article 5 (f) herein.

(f) At all times to take and use the three phase power in such a manner that the current will be equally taken from the three phases and in no case shall the difference between any two phases be greater than five per cent (5%).

(g) At all times to take and use the three phase energy in such a manner that the power factor thereof will be as near One Hundred per cent (100%) as possible. Whenever during any month it is not possible to take energy at One Hundred per cent (100%) power factor and the average power factor for ten (10) consecutive minutes is less than Ninety per cent (90%), the Customer shall pay for at least Ninety per cent (90%) of the said energy (considered as true power) divided by the power factor, whether this be at the time of monthly maximum true power demand or not. The said power factor shall be obtained from the readings of a polyphase wattmeter and a polyphase reactive component meter so connected as to record the factors desired.

(h) Bills shall be rendered by the Commission to the Customer on or before the tenth (10th) day, and paid by the Customer on or before the twentieth (20th) day of each calendar month.

If default shall be made at any time by the Customer in paying for the electric power delivered to him by the Commission under and pursuant to the terms of this contract and if such default shall continue for thirty days after demand, then the Commission shall have the right at its option to terminate this contract, or without terminating or relieving the customer from the performance, provisions and conditions herein contained, or in any wise avoiding this contract, to discontinue the delivery of electric power until the money due to it under the terms hereof from the Customer shall have been paid; and this option may be exercised by the Commission whenever and as often as any such default shall occur and continue for said period of thirty days after demand, and delay or omission on the part of the Commission to exercise such option at any time shall not be deemed to be a waiver by it of its right to exercise such option whenever such default on the part of the Customer shall occur.

All payments in arrears shall bear interest at the legal rate.

(i). To use at all times modern, standard commercial apparatus and plant, to be approved by the Commission from time to time, and to so operate

and conduct the plant and apparatus as to cause minimum disturbance or fluctuations to the Commission's supply, and to exercise all due skill and diligence so as to secure the satisfactory operation of the plant and apparatus of both the Commission and the Customer.

(j) Should it be expedient or necessary for the Commission, in order to deliver power hereunder, to construct or build poles, lines, cables, transformers, switches or other appliances or devices on, over or through the property of the Customer, or on, over or through any other adjoining property, the Customer hereby agrees to supply and arrange for such necessary rights-of-way free of cost, and keep the same cleared of buildings and trees to the satisfaction of the Commission for the life of this agreement, or renewals thereof, and for thirty (30) days thereafter, so that the Commission may build, erect, construct, operate, repair, maintain and reserve any of said apparatus or devices belonging to the Commission.

(k) The Customer shall erect a sub-station approved by the Commission and shall supply, install, and operate the electrical equipment therein as instructed by the Commission.

and submit the plan and estimate to the same manner
as the Commission is the Commission's right,
and to estimate all the other and to submit to the
same the estimate of the plan and
estimate of the other and the estimate.

(1) There is no objection to the
for the Commission, in order to collect power from
other, to receive or hold power, lines, cables,
transmission, within or other facilities of
power, or, over or through the property of the
the power, or, over or through the other adjoining
property, the Commission hereby agrees to supply and
maintain for such necessary right-of-way from the
road, and keep the same clear of buildings and
other to the satisfaction of the Commission for the
life of this agreement, or until it is terminated, and for
thirty (30) days thereafter, to the Commission
and bills, costs, charges, expenses, taxes, and
and reserve and to all expenses or charges relating
to the Commission.

(2) The Commission hereby agrees to construct
approved by the Commission and local authority, hereby,
and operate the electrical equipment therein as
indicated by the Commission.

3. The power delivered hereunder shall be alternating, three phase, having a periodicity of approximately sixty (60) cycles per second and a pressure of approximately one hundred and ten thousand volts (110,000 V.) between phase wires, subject to normal variations in both frequency and voltage not to exceed ten per cent (10%).

4. (a) Measurement of the power held in reserve or taken by the Customer hereunder shall be made by means of chart drawing polyphase wattmeters, chart drawing polyphase reactive component meters, watt-hour meters and other meters as required and approved by the Commission so arranged as to accurately measure and record the power taken by the Customer.

The greatest integrated or average power demand made by the Customer for any ten (10) consecutive minutes in any month, as shown by the aforementioned instruments, shall be used as a basis of billing and paying for the power taken by the Customer hereunder, except that

the minimum provided for herein shall govern.

(b) The point of measuring the power covered by this agreement shall be as near as possible to the point of delivery, and the instruments, with the necessary current and potential transformers for the measurement of power hereunder shall be provided, installed and maintained correct by the Customer and subject to the approval of the Commission.

Records from said meters shall be dated and forwarded promptly by the Customer to the Commission and such records on file with the Commission shall be available to the Customer for inspection at all reasonable times.

(c) Whenever the said measuring instruments are connected at other than the point of delivery their reading shall be subject to a correction and shall be corrected to give a reading such as would be obtained by instruments

connected at the point of delivery, Such corrections shall be based upon tests or calculations by the Commission.

(d) Should the Commission deem it necessary or advisable for purposes of checking or verifying records, additional meters and devices may be installed by the Commission on the premises of the Customer and without charge for rental or operation thereof and may be removed, altered or replaced by the Commission at any time.

(e) Access to the said instruments and other measuring equipment belonging to either the Commission or the Customer shall be free to the Commission at any and all times and the Commission may test, calibrate or remove its own measuring instruments or devices at any and all times, and may test and calibrate the said measuring instruments and devices belonging to the Customer at any

and all reasonable times, but when possible the Customer shall be advised at least seven (7) days in advance of the Commission's intention to re-calibrate, remove or change the measuring instruments or devices.

(f) The Customer shall have the right to test any such measuring instruments in the presence of a representative of the Commission by giving to the Commission seven (7) days' previous notice in writing of its desire to test such measuring instruments, and the Customer shall not remove, or make any changes in either their own measuring instruments or devices, or those belonging to the Commission, except in the presence of and with the approval of a duly authorized representative of the Commission.

(g) The Customer shall repair or replace and re-test defective meters or measuring equipment within a reasonable time, but during the time there are no meters of

either the Customer or the Commission in service, it shall be assumed that the power consumed is the same as for other days of the same month on which a similar load existed.

(h) The Customer shall be responsible for any damage to the property or apparatus furnished by the Commission for the purpose of supplying or measuring power hereunder and installed on the Customer's property, providing such damage originates from a source external to the said apparatus of the Commission, and is not due to defects in the apparatus of the Commission.

5. (a) The maintenance by the Commission of approximately the agreed voltage at approximately the agreed frequency at the point of delivery shall constitute the supply of power involved herein and a fulfillment of all the operating obligations hereunder, and when the voltage and the frequency are so maintain the amount of power, its fluctuations, load factor, power factor, distribution as to phases and all

either the Commission or the Government is advised,
it shall be assumed that the power is vested in
the state or the Union State of the same nature as
which is similar to that of the state.

(b) The Commission shall be responsible

for the law and equity of the property or the
Commission of the Government for the purpose of rep-
lying or receiving power for the same and in the
on the Government's property, providing such power
originates from a source external to the state and
from the Commission, and in the case of the
in the operation of the Commission.

2. (a) The Commission by the Com-

mission of a representative in the state of
operation of the state in the state of the
delivery shall maintain the right of power
in the state and a right of all the state
operation of the state, and in the state of the
operation and in the state of the state, the
operation, and in the state of the state, the
operation and in the state of the state, the

other characteristics and qualities are under the sole control of the Customer, his agents, apparatus, appliances and circuits.

Strike Clause

(b) In case the Commission shall at any time or times be prevented from delivering said power or any part thereof by strike, lockouts, riot, fire, invasion, explosion, act of God, the King's enemies, or any other cause or causes reasonable beyond its control, then the Commission shall not be bound to deliver such power during such time and the Customer shall not be bound to pay for such power during such time.

(c) The Commission shall be prompt and diligent in removing the cause of such interruption and as soon as the cause of such interruption is removed the Commission shall, without any delay, deliver the said power as aforesaid, and the Customer shall take and use the same.

(d) It is further agreed hereby that the Commission shall have the right at

reasonable times, and when possible, after due notice has been given to the Customer, to discontinue the supply of power to the Customer for the purpose of safeguarding life or property, or for the purpose of making repairs, renewals or replacements to the lines or apparatus of the Commission, but all such interruptions shall be of a minimum duration and when possible, arranged for at a time least objectionable to the Customer.

Such interruptions shall not release the Customer from his obligations to pay for, or resume the use of power when service is restored.

6. A representative or engineer of the Commission, appointed for this purpose, may, at any reasonable time during the continuance of this agreement, have access to the premises of the Customer for the purpose of inspecting the electrical apparatus, plant or property of the Customer and to take records therefrom as required.

7. It is mutually agreed :-

That in case of any dispute arising between the parties hereto relative to the fulfilment of any of the terms, provisions or conditions of this agreement, or as to the method of accuracy of the measurement of power, or any other question which may arise under this agreement, the same shall be promptly referred to arbitration under the Arbitration Act R.S.O. 1914, and the findings of such arbitrator or arbitrators shall be binding upon both parties hereto. Either party may appeal from the said findings, but in no event shall such appeal be carried beyond the Appellate Division of the Supreme Court of Ontario.

8. This agreement shall be binding upon both parties hereto for _____ years from the date of first taking power hereunder and shall then automatically cease and terminate.

9. The Commission shall be entitled at the termination of this agreement, or any extension thereof, or within thirty (30) days thereafter, to remove from the Customer's premises any and all plant or equipment which may have been installed by the Commission for the supply or measurement of power hereunder.

10. This agreement shall extend to and be binding upon and secure to the benefit of the successors and assigns of the parties hereto.

Bond
11. The customer shall be required to furnish a bond or other security satisfactory to the Commission in the sum of _____ for the proper performance of the said contract, and the carrying out of the covenants and provision therein provided.

12. Both of the said parties hereto mutually and respectively covenant, promise and agree each with the other to abide by, observe, perform, carry into effect, and fulfil according to the true meaning and intent, all of the provisions and stipulations in these presents contained, and to be carried into effect, observed, performed, and fulfilled by the said parties respectively.

13. This agreement shall have no force or effect until approved by the Lieutenant Governor in Council.

IN WITNESS WHEREOF the Commission
and the Customer have hereunto respectively affixed
their corporate seals and the hands of their proper
officers.

Signed, Sealed
and Delivered
In the presence of:

(Seal)

(Seal)

) THE HYDRO-ELECTRIC POWER
) COMMISSION OF ONTARIO.
.....
.....
.....
.....
.....
.....

91

28.
Agreement No. 23
Dec 18, 1919

THIS AGREEMENT made in triplicate the day
of in the year of our Lord one thousand
nine hundred and (19 .)

BETWEEN:

THE HYDRO-ELECTRIC POWER COMMISSION
OF ONTARIO, hereinafter called the
"Commission",

PARTY OF THE FIRST PART

- and -

GREAT LAKES PAPER COMPANY, LIMITED
hereinafter called the "Customer"

PARTY OF THE SECOND PART.

WHEREAS pursuant to the Power Commission Act, R.S.O.
1914 and amendments thereto, the Customer has applied to the
Commission for a supply of electrical power or energy for the
operation of a Pulp and Paper Mill to be located in or near
Port Arthur or Fort William.

AND WHEREAS the Commission has available for the
Customer's use sufficient electrical power for the purposes
of this agreement, or will make the necessary arrangements
for securing sufficient electrical power therefor.

AND WHEREAS the Commission will be required to incur
expense and risk in providing for the supply of power hereunder;

NOW THEREFORE THIS INSTRUMENT WITNESSETH that in consid-
eration of the promises and of the agreements of the parties
hereto each agrees with the other as follows:-

1. The Commission agrees:-

(a) to reserve for and deliver to the customer not less

than 15,500 horse power of electrical power or energy at the point of delivery hereinafter specified beginning on sixty (60) days' previous notice in writing, nor earlier than February 1st, 1921, and extending for the period of this agreement.

(b) to hold in reserve for and deliver to the Customer such additional electrical horse power as the Commission may have available from time to time when required by the Customer and after reasonable notice in advance.

(c) to use at all times first class, modern, standard, commercial apparatus and plant and to exercise all due skill and diligence so that the service rendered to the Customer hereunder shall be satisfactory.

(d) To deliver commercially continuous twenty-four hour power every day in the year, except as provided herein, at the entrance structure of the Consumers' substation. The consumer agrees to pay the cost of entrance structure and for the erection of branch transmission line nearest the consumers' substation.

2. The Customer agrees : -

(a) To use all diligence by every lawful means in his power to prepare for the receipt and use of the power covered by this agreement, so as to be able to receive power at some time between the dates set forth in Section one (1) of this agreement.

(b) To pay to the Commission for the power taken or held in reserve, as provided herein, in monthly payments in gold coin, or its equivalent in legal tender, at Toronto, Ontario, under the following schedule or rate : -

\$17.50 per horse power per annum for all power taken

that 15,000 watts power at electrical power or energy at
the point of delivery hereinafter specified beginning on
about 1900 (approx) but one notice in writing, not earlier
than February 1st, 1921, and extending for the period of
this agreement.

(b) To hold in reserve for and deliver to the Commission
such additional electrical power as the Commission may
have available from time to time when required by the Commission
and after reasonable notice in writing.

(c) To use at all times their best, honest, standard,
commercial appliances and plants and to maintain all the same
and all parts so that the service required to the Commission
hereunder shall be satisfactory.

(d) To deliver commercially available twenty-four hour
power every day in the year, except as is varied herein, in the
entirety of the capacity of the Commission's installation. The Commission
agrees to pay the cost of service rendered and for the use of
the of power transmitted line between the Commission's sub-
station.

The Commission agrees: -

(a) To use all delivered by every local source in the
power as required for the service and use of the power covered
by this agreement, so as to be able to receive power at the
time between the dates set forth in Section and (1) of this
agreement.

(b) To pay to the Commission for the power taken at said
a rate of, as varied herein, in monthly payments in full,
cash, or its equivalent in legal tender, at the rate of, as varied,
on the following schedule or rates: -

\$17.00 per horse power per annum for all power taken

or held in reserve up to 20,000 horse power.

When the amount taken or held in reserve exceeds 20,000 horse power then for all \$17.00 per horse power per annum.

When the amount taken or held in reserve exceeds 30,000 horse power then for all \$16.50 per horse power per annum.

Each month's payment to be made as though the maximum amount taken during that month were taken for the whole month, save that paragraph (e) hereof shall govern the minimum.

One horse power is defined as equivalent to 746 watts.

(c) To take power exclusively from the Commission for the term of this agreement to the ability of the Commission to deliver and not to sell or dispose of said power, or any part thereof, directly or indirectly without the written consent of the Commission.

(d) If the Customer during any month taken more than the amount of power ordered and held in reserve for him for ten (10) consecutive minutes the taking of such excess power shall thereafter constitute an obligation on the part of the Customer to pay for, and on the part of the Commission to hold in reserve such increased quantity of power, if available, in accordance with the terms and conditions of this agreement.

(e) To pay each month to the Commission as a minimum for seventy-five per cent (75%) of the power held in reserve for the Customer, as provided for herein, at the rates fixed herein, except as provided for in clause 5 (b) hereof.

(f) At all times to take and use the three phase power in such a manner that the current will be equally taken from

the three phases and in no case shall the difference between any two phases be greater than five per cent (5%).

(g) At all times to take and use the three phases energy in such a manner that the power factor thereof will be as near One Hundred per cent (100%) as possible. Whenever during any month it is not possible to take energy at One Hundred per cent (100%) power factor and the average power factor for ten (10) consecutive minutes is less than Ninety per cent (90%) the Customer shall pay for at least Ninety per cent (90%) of the said energy (considered as true power) divided by the power factor, whether this be at the time of monthly maximum true power demand or not. The said power factor shall be obtained from the readings of a polyphase wattmeter and a polyphase reactive component meter so connected as to record the factors desired.

(h) Bills shall be rendered by the Commission to the Customer on or before the tenth (10th) day, and paid by the Customer on or before the twentieth (20th) day of each calendar month.

If default shall be made at any time by the Customer in paying for the electric power delivered to him by the Commission under and pursuant to the terms of this contract and if such default shall continue for thirty days after demand, then the Commission shall have the right of its option to terminate this contract, or without termination or relieving the customer from the performance, provisions and conditions herein contained or in any wise avoiding this contract, to discontinue the delivery of electric power until the money due to it under the terms hereof from the Customer shall have been paid; and this option may be exercised by the Commission whenever and as often as any such default shall occur and continue for said period of thirty days

after demand, and delay or omission on the part of the Commission to exercise such option at any time shall not be deemed to be a waiver by it or its right to exercise such option whenever such default on the part of the Customer shall occur.

All payments in arrears shall bear interest at the legal rate.

(1) To use at all times modern, standard commercial apparatus and plant, to be approved by the Commission from time to time, and to so operate and conduct the plant and apparatus as to cause minimum disturbance or fluctuations to the Commission's supply, and to exercise all due skill and diligence so as to secure the satisfactory operation of the plant and apparatus of both the Commission and the Customer.

(j) Should it be necessary or expedient for the Commission, in order to deliver power hereunder, to construct or build poles, lines, cables, transformers, switches or other appliances or devices on, over or through the property of the Customer, or on over or through any other adjoining property, the Customer, hereby agrees to supply and arrange for such necessary rights-of-way free of cost, and keep the same cleared of buildings and trees to the satisfaction of the Commission for the life of this agreement, or renewals thereof, and for thirty (30) days thereafter, so that the Commission may build, erect, construct, operate, repair, maintain and reserve any of said apparatus or devices belonging to the Commission.

(k) The Customer shall erect a sub-station approved by the Commission and shall supply, install, and operate the electrical equipment therein as instructed by the Commission.

3. The power delivered hereunder shall be alternating, three phase, having a periodicity of approximately sixty (60) cycles per second and a pressure of approximately one hundred and ten thousand volts (110,000 V) between phase wires, subject to normal variations in both frequency and voltage not to exceed ten per cent (10%).

4. (a) Measurement of the power held in reserve or taken by the Customer hereunder shall be made by means of chart polyphase wattmeters, chart drawing polyphase reactive component meters, watthour meters and other meters as required and approved by the Commission so arranged as to accurately measure and record the power taken by the Customer.

The greatest integrated or average power demand made by the Customer for any ten (10) consecutive minutes in any month, as shown by the aforementioned instruments, shall be used as a basis of billing and paying for the power taken by the Customer hereunder during such months except that the minimum provided for herein shall govern.

(b) The point of measuring the power covered by this agreement shall be as near as possible to the point of delivery, and the instruments, with the necessary current and potential transformers for the measurement of power hereunder shall be provided, installed and maintained correct by the Customer and subject to the approval of the Commission.

Records from said meters shall be dated and forwarded promptly by the Customer to the Commission and such records on file with the Commission shall be available to the Customer for

inspection at all reasonable times.

(c) Whenever the said measuring instruments are connected at other than the point of delivery their reading shall be subject to a correction and shall be corrected to give a reading such as would be obtained by instruments connected at the point of delivery. Such correctness shall be based upon tests or calculations by the Commission.

(d) Should the Commission deem it necessary or advisable for purposes of checking or verifying records, additional meters and devices shall be installed by the Commission on the premises of the Customer and without charge for rental or operation thereof and may be removed, altered or replaced by the Commission at any time.

(e) Access to the said instruments and other measuring equipment belonging to either the Commission or the Customer shall be free to the Commission at any and all times and the Commission may test, calibrate or remove its own measuring instruments or devices at any and all times, and may test and calibrate the said measuring instruments and devices belonging to the Customer at any and all reasonable times, but when possible the Customer shall be advised at least seven (7) days in advance of the Commission's intention to re-calibrate, remove or change the measuring instruments or devices.

(f) The Customer shall have the right to test any such measuring instruments in the presence of a representative of the Commission by giving the Commission seven (7) days' previous notice in writing of its desire to test such measuring instruments and the Customer shall not remove, or make any changes in either their own measuring instruments or devices, or those belonging to the Commission, except in the presence of and with the approval of a duly authorized representative of the Commission.

(1) Whenever the said examining instrument is connected at other than the point of delivery, the following shall be subject to a certificate and shall be returned to the testing room as soon as it is obtained by the instrument. It shall be delivered, with the instrument, to the person in possession of the instrument by the connecting or disconnecting.

(2) Should the Commission deem it necessary to withdraw the possession of a testing instrument, the instrument shall be returned to the Commission by the person in possession of the instrument and without charge the instrument shall be returned to the person in possession of the instrument, without charge, at any time.

(3) Access to the said instruments and other necessary equipment belonging to the Commission or the person in possession of the instrument at any and all times shall be given to the Commission and its representatives and the Commission may cause, without charge, to be made any and all testing instruments or devices at any and all times, and may test and examine the said examining instruments and devices belonging to the Commission at any and all reasonable times, but when possible the person shall be advised at least seven (7) days in advance of the Commission's intention to re-examine, re-test or change the examining instrument or its use.

(4) The Commission shall have the right to test any and all examining instruments in the possession of a representative of the Commission by giving the Commission seven (7) days' previous notice in writing of its desire to test such examining instrument and the Commission shall not remove, or make any change in order, their own examining instruments or devices, or their belonging to the Commission, except in the presence of the said representative.

(g) The Customer shall repair or replace and re-test defective meters or measuring equipment belonging to it within a reasonable time, but during the time there are no meters of either the Customer or the Commission in service, it shall be assumed that the power consumed is the same as for other days of the same month on which a similar load existed.

(h) The Customer shall be responsible for any damage to the property or apparatus furnished by the Commission for the purpose of supplying or measuring power hereunder and installed on the Customer's property, providing such damage is not due to defects in the apparatus of the Commission or from causes originating on the Commission's lines.

5. (a) The maintenance by the Commission or approximately the agreed voltage at approximately the agreed frequency at the point of delivery shall constitute the supply of power involved herein and a fulfillment of all the operating obligations hereunder, and when the voltage and the frequency are so maintained the amount of power, its fluctuations, load factor, power factor, distribution as to phases and all other characteristics and qualities are under the sole control of the Customer, his agents, apparatus, appliances and circuits.

(b) In case the Commission shall at any time or times be prevented from delivering said power or any part thereof by strike, lockouts, riot, fire, invasion, explosion, act of God, the King's enemies, or any other cause or causes reasonably beyond its control, then the Commission shall not be bound to deliver such power during such time and the Customer shall not be bound to pay for such power during such times.

(c) The Commission shall be prompt and diligent in removing the cause of such interruption and as soon as the cause of

Strike Clause

(3) The Commission shall report to the President and the Secretary of the Interior on the progress of the work of the Commission and on the results of the work of the Commission in the field of the work of the Commission.

(4) The Commission shall be responsible for the work of the Commission in the field of the work of the Commission.

(5) The Commission shall be responsible for the work of the Commission in the field of the work of the Commission.

(6) The Commission shall be responsible for the work of the Commission in the field of the work of the Commission.

44-38861-1000

such interruption is removed the Commission shall, without any delay, deliver the said power as aforesaid, and the Customer shall take and use the same.

(d) It is further agreed hereby that the Commission shall have the right at reasonable times, and when possible, after due notice has been given to the Customer, to discontinue the supply of power to the Customer for the purpose of safeguarding life or property, or for the purpose of making repairs, renewals or replacements to the lines or apparatus of the Commission, but all such interruptions shall be of a minimum duration and when possible, arranged for at a time least objectionable to the Customer.

Such interruptions shall not release the Customer from its obligations to resume the use of power and to pay therefor when service is restored.

6. A representative or engineer of the Commission, appointed for this purpose, may, at any reasonable time during the continuance of this agreement, may have access to the premises of the Customer for the purpose of inspecting the electrical apparatus, plant or property of the Customer, and to take records therefrom as required.

7. It is mutually agreed : -

It is agreed that in case of any dispute arising relating to the question of the performance and fulfilment of any of the terms, provisions, or conditions of this agreement, or as to the method of accuracy of the measurement of the power, or as to any question which may arise under this agreement, or as to the rights of any of the parties after the termination of this agreement, the same shall be promptly referred to arbitration, under the Arbitration Act, Revised Statutes of Ontario, 1914, by two independent

such information is removed from the database, without any
delay, delivery of the data power of attorney, and the database
shall take and use the same.

(b) It is further agreed hereby that the Government shall
have the right to remove any information, or any portion thereof,
which has been given to the Government, if disclosure of such
information is deemed to be in the best interests of the
Government, or if the release of such information, or any
portion thereof, is deemed to be in the best interests of the
Government, or if the release of such information, or any
portion thereof, is deemed to be in the best interests of the
Government.

Such information shall not be released to the Government
or any other person, or any portion thereof, or any
information is removed from the database, without any
delay, delivery of the data power of attorney, and the database
shall take and use the same.

6. A representative or agent of the Government, appointed
for this purpose, may, at any reasonable time during the term
of the agreement, and have access to and review of
the database for the purpose of inspecting the database.
The Government, agent or property of the Government, and no other
person, shall be required.

7. It is mutually agreed : -
It is agreed that in case of any dispute arising relating
to the operation of the database and fulfillment of any of the
terms, provisions, or conditions of this agreement, or as to the
method of recovery of the maintenance of the power, to be so any
question as to the right under this agreement, or as to the right
of any of the parties after the termination of this agreement, the
same shall be promptly referred to arbitration, under the Arbitration
Act, 1916, by the Government.

persons, one to be chosen by each of the parties to such dispute, and such persons before proceeding with the references shall appoint a third arbitrator to act with them, and the decision of the said three arbitrators, or a majority of them, shall be conclusive on both parties except as hereinafter provided, and in case either of the said parties shall neglect or fail to appoint an arbitrator within thirty days after the request in writing by the other party, then the arbitrator appointed by the other party can proceed alone and his award shall be conclusive on both parties except as hereinafter provided. The award shall be made within four months after the appointment of the first of such arbitrators, and in the event of two arbitrators appointed as aforesaid being unable or unwilling to agree upon a third arbitrator for two weeks after their appointment, or the appointment of the one of them, who was last appointed, then said third arbitrator shall be chosen and appointed by the Chief Justice for the time being of the King's Bench Division of the Supreme Court for the Province of Ontario, or in the event of the said Chief Justice being ill, absent from the province, or otherwise unable to act or refusing to act, then such third arbitrator shall be appointed by any Judge of the Supreme Court for the Province of Ontario, but not by a local Judge. It is agreed that there may be an appeal by either party from any decision or award of such arbitrators to the Appellate Division of the Supreme Court for the Province of Ontario in accordance with the provisions of the Arbitration Act in that behalf.

8. This agreement shall be binding upon both parties herein for twenty years from the date of first taking of power hereunder with a right to the Customer to continue the agreement for two further consecutive terms of ten years each by giving notice to the

Commission in writing of their intention to continue the agreement for a further term of ten years, at least three years before the expiration of the first twenty years and by giving notice in writing to the Commission of their intention to continue the agreement for a further term of ten years, at least three years before the expiration of the first ten year period. The last of such periods to end forty years from the date of the first taking of power hereunder.

9. The Commission shall be entitled at the termination of this agreement, or any extension thereof, or within thirty (30) days thereafter, to remove from the Customer's premises any and all plant or equipment which may have been installed by the Commission for the supply or measurement of power hereunder.

10. This agreement shall extend to and be binding upon and enure to the benefit of the successors and assigns of the parties hereto.

11. The Customer shall contemporaneously with the executing of this agreement deposit with the Commission a Bond satisfactory to the Commission as security to the Commission for the due carrying out by the Customer of the covenants and provisions therein provided for the sum of Five Hundred Thousand Dollars (\$500,000) provided however that when the Customer's plant and works contemplated herein are completed and in operation, if the financial standing of the Customer is such that some other method of securing the Commission, satisfactory to the Commission, is agreed upon, the same shall be substituted for the Bond, otherwise the said Bond is to be continued in full force and effect for the full term.

12. Both of the said parties hereto mutually and respectively covenant, promise and agree each with the other to abide by, ob-

Government in making of their intention to continue the
agreement for a further term of ten years, or in any other
before the expiration of the first twenty years and by giving
notice in writing to the Government of their intention to continue
the agreement for a further term of ten years, or in any other
years before the expiration of the first ten year period. The last
of such periods to end twenty years from the date of the first
taking of power hereunder.

9. The Government shall be entitled at the termination of this
agreement, or any extension thereof, or within thirty (30) days
thereafter, to remove from the Government's premises any and all
plant or equipment which may have been installed by the Government
for the supply or maintenance of power hereunder.

10. This agreement shall extend to and be binding upon and
inure to the benefit of the Government and assigns of the parties
hereto.

11. The Government shall contingently with the expiration of
this agreement deposit with the Commission a cash certificate
to the Commission in the sum of five hundred thousand dollars
certified by the Treasurer of the Government and provided
therein provided for the sum of five hundred thousand dollars
(\$500,000) provided however that when the Government's plant and
works contemplated herein are completed and in operation, it may
financial standing of the Government is such that some other method
of securing the Commission, satisfactory to the Commission, is
agreed upon, the same shall be substituted for the Bond, otherwise
the said Bond is to be continued in full force and effect for the

full term.

12. Each of the said parties hereto mutually and respectively

12/1/54

serve, perform, carry into effect and fulfill according to the true meaning and intent, all of the provisions and stipulations in these presents contained, and to be carried into effect, observed, performed and fulfilled by the said parties respectively.

13. This agreement shall have no force or effect until approved by the Lieutenant Governor in Council.

IN WITNESS WHEREOF the Commission and the Customer have hereunto respectively affixed their corporate seals and the hands of their proper officers.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

CHAIRMAN.

SECRETARY.

GREAT LAKES PAPER COMPANY, LIMITED.

43
Agreement No. 3
7th Jan. 1920

THIS AGREEMENT made in triplicate the day of
in the year of our Lord one thousand nine hundred
and twenty (1920)

BETWEEN;

THE HYDRO-ELECTRIC POWER COMMISSION
OF ONTARIO, hereinafter called the
"Commission",

Party of the First Part,

- and -

GREAT LAKES PAPER COMPANY, LIMITED
hereinafter called the "Customer"

Party of the Second Part,

WHEREAS pursuant to the Power Commission Act, R.S.O.,
1914, and Amendments thereto, the Customer has applied to the
Commission for a supply of electrical power or energy for the
operation of a Pulp and Paper Mill to be located in or near
Port Arthur or Fort William, Ontario.

AND WHEREAS the Commission has available for the
Customer's use sufficient electrical power for the purposes of
this Agreement, or will make the necessary arrangements for
securing sufficient electrical power therefor.

AND WHEREAS the Commission will be required to incur
expenses and risk in providing for the supply of power here-
under;

NOW THEREFORE THIS INDENTURE WITNESSETH that in con-
sideration of the premises and of the agreements of the parties
hereto each agrees with the other as follows:-

*Very respectfully,
The Joint Committee*

THIS AGREEMENT made in duplicate the
day of
in the year of our Lord one thousand nine hundred
and twenty (1920)

BEFORE:

THE HYDRO-ELECTRIC POWER COMMISSION
OF CANADA, hereinafter called the
"Commission",

Party of the first part;

- and -

GREAT LAKES PAPER COMPANY, LIMITED
hereinafter called the "Company"

Party of the second part;

WHEREAS pursuant to the Power Commission Act, R.S.C. 1914, and Amendments thereto, the Commission has applied to the
Commission for a supply of electrical power or energy for the
operation of a pulp and paper mill to be located in or near
Port Arthur or Port William, Ontario.

AND WHEREAS the Commission has available for the
Customer's use sufficient electrical power for the purpose of
this Agreement, or will make the necessary arrangements for
securing sufficient electrical power therefor.

AND WHEREAS the Commission will be required to incur
expenses and time in providing for the supply of power here-

under;

NOW KNOW YE THAT THIS INSTRUMENT WITNESSETH that in con-
sideration of the premises and of the agreements of the parties
hereto each agreed with the other as follows:-

1 - The Commission agrees:-

(a) To reserve for and deliver to the Customer not less than 15,500 horse power of electrical power or energy at the point of delivery hereinafter specified beginning on sixty (60) days' previous notice in writing, nor earlier than February 1st, 1921, and extending for the period of this agreement.

(b) to hold in reserve for and deliver to the Customer such additional electrical horse power as the Commission may have available from time to time when required by the Customer and after reasonable notice in advance,

(c) to use at all times first class, modern, standard, commercial apparatus and plant and to exercise all due skill and diligence so that the service rendered to the Customer hereunder shall be satisfactory.

(d) to deliver commercially continuous twenty-four hour power every day in the year, except as provided herein, at the entrance structure of the Consumer's substation. The Consumer agrees to pay the cost of entrance structure and for the erection of branch transmission line nearest the Consumer's sub-station.

2- The Customer agrees:-

(a) to use all diligence by every lawful means in its power to prepare for the receipt and use of the power covered by this agreement, so to receive power at some time between the 1st of February 1921, and the first of September 1921, provided that in case the Company is not ready to receive power by the 1st of September, 1921, the onus will be on the company to establish that it has done everything in its

See a memo
set out
for 10 p 5
herein

New

1 - The Commission hereby:-

(a) To reserve for and deliver to the Customer not less than 13,800 horse power of electrical power or energy at the point of delivery hereinafter specified beginning on May 1st, 1931, previous notice in writing, not earlier than February 1st, 1931, and extending for the period of this agreement.

(b) To hold in reserve for and deliver to the Customer such additional electrical horse power as the Commission may have available from time to time when required by the Customer and after reasonable notice in advance.

(c) To use at all times its own, modern, standard commercial apparatus and plant and to exercise all due skill and diligence so that the service rendered to the Customer hereunder shall be satisfactory.

(d) To deliver commercially continuous twenty-four hour power every day in the year, except as provided herein, at the entrance structure of the Customer's sub-station. The Customer agrees to pay the cost of entrance structure and for the erection of branch transmission line between the Customer's sub-station.

2 - The Customer agrees:-

(a) To use all diligence by every in will means in its power to prepare for the receipt and use of the power covered by this agreement, so to receive power at some time between the 1st of February 1931, and the 1st of September 1931, provided that in case the Company is not ready to receive power by the 1st of September, 1931, the same will be on the company to establish that it has done everything in its

Handwritten notes in red ink:
The Commission hereby:-
To reserve for and deliver to the Customer not less than 13,800 horse power of electrical power or energy at the point of delivery hereinafter specified beginning on May 1st, 1931, previous notice in writing, not earlier than February 1st, 1931, and extending for the period of this agreement.

Handwritten initials in red ink:
M

power to get its plant in order for that date, and that in no case in the time for taking power to be extended beyond the first of January, 1922.

(b) to pay to the Commission for the power taken or held in reserve, as provided herein, in monthly payments in gold coin or its equivalent in legal tender, at Toronto, Ontario, under the following schedule or rate:-

\$17.50 per horse power per annum for all power takes or held in reserve up to 20,000 horse power.

When the amount taken or held in reserve exceeds 20,000 horse power then for all \$17.00 per horse power per annum.

When the amount taken or held in reserve exceeds 30,000 horse power then for all \$16.50 per horse power per annum.

Each month's payment to be made as though the maximum amount taken during that month were taken for the whole month, save that paragraph (c) hereof shall govern the minimum.

One horse power is defined as equivalent to 746 watts.

New
(c) To take power exclusively from the Commission for the term of this agreement to the ability of the Commission to deliver and not to sell or dispose of said power, or any part thereof, directly or indirectly without the written consent of the Commission, except that in any case in which the Commission shall fail to deliver and furnish all the power required by the Company in accordance with the terms and provisions of this contract then and in every such case the Company shall have the right to procure power from any other source for the purposes of the

- 4 -

Company's operations to the extent of the failure of the Commission to supply the same, and so long, but so long only, as the failure of the Commission shall continue.

(d) If the Customer during any month takes more than the amount of power ordered and held in reserve for him for ten (10) consecutive minutes the taking of such excess power shall thereafter constitute an obligation on the part of the Customer to pay for, and on the part of the Commission to hold in reserve such increased quantity of power, if available, in accordance with the terms and conditions of this agreement.

(e) To pay each month to the Commission as a minimum for seventy-five per cent (75%) of the power held in reserve for the customer, as provided for herein, at the rates fixed herein, except as provided for in clause 5 (b) hereof.

(f) At all times to take and use the three phase power in such a manner that the current will be equally taken from the three phases and in no case shall the difference between any two phases be greater than five per cent (5%).

(g) At all times to take and use the three phase energy in such a manner that the power factor thereof will be as near One Hundred per cent (100%) as possible. Whenever during any month it is not possible to take energy at One Hundred per cent (100%) power factor and the average power factor for ten (10) consecutive minutes is less than Ninety per cent (90%) the Customer shall pay for at least Ninety per cent (90%) of the said energy (considered as true power) divided by the power factor, whether this be at the time of monthly maximum true power demand or not. The said power factor shall be obtained from the readings of a polyphase wattmeter and a polyphase reactive component meter

Company's operations to the extent of the failure of the Commission to supply the same, and to hold, and to keep well, as the failure of the Commission shall determine.

(d) If the Commission during any month makes more than the amount of power ordered and held in reserve for the month (11) consecutive minutes the taking of such excess power shall thereafter constitute an obligation on the part of the Commission to pay for, and on the part of the Commission to hold in reserve such increased quantity of power, in addition, in accordance with the terms and conditions of this agreement.

(e) To pay each month to the Commission as follows: (1) Twenty-five per cent (25%) of the power held in reserve for the month, as provided for herein, at the same fixed basis, except as provided for in clause 5 (f) herein.

(f) At all times as herein and as the Commission power in such a manner that the current will be equally taken from the three phases and in no case shall the difference between any two phases be greater than five per cent (5%).

(g) At all times to take and use the three phase energy in such a manner that the power factor thereof will be as near one (100%) as possible. Whenever during any month it is not possible to take energy at one hundred per cent (100%) per hour factor and the average power factor for the month is less than ninety per cent (90%) the

Commission shall pay for at least ninety per cent (90%) of the total energy (considered as true power) divided by the power factor, whether this be at the time of monthly maximum true power demand or not. The said power factor shall be obtained from the readings of

so connected as to record the factors desired.

(h) Bills shall be rendered by the Commission to the Customer on or before the tenth (10th) day, and paid by the customer on or before the twentieth (20th) day of each calendar month.

If default shall be made at any time by the Customer in paying for the electric power delivered to him by the Commission under and pursuant to the terms of this contract and if such default shall continue for thirty days after demand, then the Commission shall have the right at its option to terminate this contract, or without termination or relieving the Customer from the performance, provisions and conditions herein contained, or in any wise avoiding this contract, to discontinue the delivery of electric power until the money due to it under the terms hereof from the Customer shall have been paid; and this option may be exercised by the Commission whenever and as often as any such default shall occur and continue for said period of thirty days after demand, and delay or omission on the part of the Commission to exercise such option at any time shall not be deemed to be a waiver by it of its right to exercise such option whenever such default on the part of the Customer shall occur.

All payments in arrears shall bear interest at the legal rate.

(1) To use at all times modern, standard commercial apparatus and plant to be approved by the Commission from time to time, and to co-operate and conduct the plant and apparatus as to cause minimum disturbance or fluctuations to the Commission's

no connection as to power, the latter being.

(b) Bill's shall be rendered by the Commission to

the State or an or before the State (1934) day, and paid by

the State or an or before the State (1934) day, and paid by

calendar month.

It shall be made as any time by the State

in paying for the electric power delivered to him by the

Commission under and pursuant to the terms of this contract

and if such details shall continue for thirty days after demand

then the Commission shall have the right as its option to

terminate this contract, or without termination or relieving

the customer from the performance, provision and maintenance here-

in contained, or in any other avoiding this contract, to dis-

continue the delivery of electric power until the money due to it

under the terms hereof from the customer shall have been paid;

and this option may be exercised by the Commission whenever and

as often as any such details shall occur and continue for said

period of thirty days after demand, and delay or omission on the

part of the Commission to exercise such option at any time shall

not be deemed to be a waiver by it of its right to exercise such

option whenever such details on the part of the customer shall

occur.

All payments in arrears shall bear interest at the

legal rate.

(c) To and as all times modern, at least commercial

apparatus and plans to be approved by the Commission from time to

time, and to co-operate and conduct the plant and apparatus as to

same within distances or limitations to the Commission's

supply, and to exercise all due skill and diligence so as to secure the satisfactory operation of the plant and apparatus of both the Commission and the Customer.

(j) Should it be necessary or expedient for the Commission, in order to deliver power hereunder, to construct or build poles, lines, cables, transformers, switches or other appliances or devices on, over or through the property of the Customer, or on over or through any other adjoining property, the Customer hereby agrees to supply and arrange for such necessary rights-of-way free of cost, and keep the same cleared of buildings and trees to the satisfaction of the Commission for the life of this agreement, or renewals thereof, and for thirty (30) days thereafter, so that the Commission may build, erect, construct, operate, repair, maintain and reserve any of said apparatus or devices belonging to the Commission.

(k) The customer shall erect a sub-station approved by the Commission and shall supply, install, and operate the electrical equipment therein as instructed by the Commission.

3- The power delivered hereunder shall be alternating, three phase, having a periodicity of approximately sixty (60) cycles per second and a pressure of approximately one hundred and ten thousand volts (110,000) between phase wires, subject to normal variations in both frequency and voltage not to exceed ten per cent (10%).

4- (a) Measurement of the power held in reserve or taken by the Customer hereunder shall be made by means of chart poly-phase wattmeters, chart drawing polyphase reactive component meters, watthour meters and other meters as required and approved

supply, and to exercise all the skill and diligence as to
secure the satisfactory operation of the plant and apparatus
at both the Commission and the Customer.

(3) There is no necessity or obligation for the

Commission, in order to deliver power hereunder, to construct
or build poles, lines, cables, transformers, switches or other
appliances or devices on, over or through the property of the
Customer, or on over or through any other adjacent property.
The Customer hereby agrees to supply and arrange for such
necessarily rights-of-way free of cost, and keep the same clear
of buildings and trees to the satisfaction of the Commission
for the life of this agreement, to remove the same, and for
thirty (30) days thereafter, so that the Commission may build,
erect, construct, operate, repair, maintain and remove any of
said apparatus or devices belonging to the Commission.

(4) The Customer shall erect a sub-station approved

by the Commission and shall supply, install, and operate the
electrical equipment therein as instructed by the Commission.
5- The power delivered hereunder shall be alternating
three phase, having a periodicity of approximately sixty (60)
cycles per second and a pressure of approximately one hundred
and ten thousand volts (110,000) between phase wires, subject
to normal variations in both frequency and voltage not to exceed
ten per cent (10%).

6- (a) Measurement of the power sold in reserve or taken
by the Customer hereunder shall be made by means of shaft horsepower
wattmeters, chart driving polyphase reactive component

by the Commission so arranged as to accurately measure and record the power taken by the Customer.

The greatest integrated or average power demand made by the Customer for any ten (10) consecutive minutes in any month as shown by the aforementioned instruments, shall be used as a basis of billing and paying for the power taken by the Customer hereunder during such months except that the minimum provided for herein shall govern.

(b) The point of measuring the power covered by this agreement shall be as near as possible to the point of delivery and the instruments, with the necessary current and potential transformers for the measurement of power hereunder shall be provided, installed and maintained correct by the Customer and subject to the approval of the Commission.

Records from said meters shall be dated and forwarded promptly by the Customer to the Commission and such records on file with the Commission shall be available to the Customer for inspection at all reasonable times.

(c) Whenever the said measuring instruments are connected at other than the point of delivery their reading shall be subject to a correction and shall be corrected to give a reading such as would be obtained by instruments connected at the point of delivery, such corrections shall be based upon tests or calculations by the Commission.

(d) Should the Commission deem it necessary or advisable for purposes of checking or verifying records, additional meters and devices shall be installed by the Commission on the premises of the Customer and without charge for rental or operation thereof and may be removed, altered or replaced by the Commission

by the Commission no arranged as to necessarily measure and record the power taken by the consumer.

The greatest interest in a single power demand made by the consumer for any run (10) consecutive minutes in any month as shown by the aforementioned instrument, shall be used as a basis for billing and paying for the power taken by the consumer.

Notwithstanding any other contract or agreement to the contrary, the consumer shall be liable for the payment of the minimum provided for herein.

(4) The point of measuring the power covered by this agreement shall be as near as possible to the point of delivery and the instrument, with the necessary current and potential transformers for the measurement of power hereunder shall be provided, installed and maintained at the expense of the consumer and subject to the approval of the Commission.

Records from said meters shall be kept and forwarded promptly to the consumer to the Commission and such records as it may require shall be available to the Commission for inspection and use at all reasonable times.

(5) Whenever the said measuring instruments are connected at other than the point of delivery their reading shall be subject to a correction and shall be corrected to give a reading as would be obtained by instruments connected at the point of delivery, such correction shall be based upon tests or calculations by the Commission.

(6) Should the Commission deem it necessary or advisable for purposes of checking or verifying records, additional meters and devices shall be installed by the consumer on the premises of the consumer and without charge for rental or operation of the same.

Text of Agreement

B E T W E E N:-

The Government

- and -

The Great Lakes
Paper Co.

1. Agreement of 9th February 1922.

- A - Agreement of 9th May, 1917.
- B - Agreement of 9th May, 1918.
- C & D - Conditions of Sale.

2. - Order in Council 25th Oct. 1920.
referred to in 1922. agreement.

3. - Letter Alsted-Bowman 6th March
1922.

4. - Letter Bowman-Alsted 6th March
1922.

by the Commission as arranged as to necessary measure and record the power taken by the Customer.

The greatest interest in a single power demand made

by the Customer for any year (10) consecutive minutes in any month

as shown by the aforementioned instruments, shall be used as a

for the power taken by the Customer

as except that the minimum provided

measuring the power covered by this

as possible to the point of delivery

the necessary current and potential

element of power however shall be

obtained directly by the Customer and

the Commission.

and meter shall be used and forwarded

the Commission and such records as it

is available to the Customer for transfer

and measuring instruments are

point of delivery shall be used

and shall be approved by the Commission

such as would be obtained by instruments connected at the point of

delivery, such records shall be used when used or retained

by the Commission.

(5) Should the Commission deem it necessary or advisable

for the purpose of checking or verifying records, additional

meters and devices shall be installed by the Commission on the

premises of the Customer and witness change for record or operation

at the time.

(e) Access to the said instruments and other measuring equipment belonging to either the Commission or the Customer shall be free to the Commission at any and all times and the Commission may test, calibrate or remove its own measuring instruments or devices at any and all times, and may test and calibrate the said measuring instruments and devices belonging to the Customer at any and all reasonable times, but whenever possible the Customer shall be advised at least seven (7) days in advance of the Commission's intention to re-calibrate, remove or change the measuring instruments or devices.

(f) The Customer shall have the right to test any such measuring instruments in the presence of a representative of the Commission by giving the Commission seven (7) days' previous notice in writing of its desire to test such measuring instruments, and the Customer shall not remove, or make any changes in either their own measuring instruments or devices, or those belonging to the Commission, except in the presence of and with the approval of a duly authorized representative of the Commission.

(g) The Customer shall repair or replace and retest defective meters or measuring equipment belonging to it within a reasonable time, but during the time there are no meters of either the Customer or the Commission in service, it shall be assumed that the power consumed is the same as for other days of the same month on which a similar load existed.

(h) The Customer shall be responsible for any damage to the property or apparatus furnished by the Commission for the purpose of supplying or measuring power hereunder and installed on

at the time.

(4) Access to the said instruments and other measuring equipment belonging to either the Commission or the Customer shall be given to the Commission at any and all times and the Commission may test, calibrate or remove its own measuring instruments or devices at any and all times, and may test and calibrate the said measuring instruments and devices belonging to the Customer at any and all reasonable times, but whenever the Customer shall be notified at least seven (7) days in advance of the Commission's intention to re-calibrate, remove or change the measuring instruments or devices.

(5) The Customer shall have the right to test any such measuring instruments in the presence of a representative of the Commission by giving the Commission seven (7) days' previous notice in writing of its desire to test such measuring instruments, and the Customer shall not remove, or make any changes in either the own measuring instruments or devices, or those belonging to the Commission, except in the presence of and with the approval of a duly authorized representative of the Commission.

(6) The Customer shall repair or replace and return defective meters or measuring equipment belonging to it within a reasonable time. But during the time there are no meters or other the Customer or the Commission in service, it shall be assumed that the power consumed is the same as for other days of the same month on which a similar load existed.

(7) The Customer shall be responsible for any damage to the property or apparatus furnished by the Commission for the purpose of supplying or measuring power thereunder and installed on

the Customer's property, providing such damage is not due to negligence on the part of any servant of the Commission or to defects in the apparatus of the Commission or from causes originating on the Commission's lines.

5- (a) The maintenance by the Commission of approximately the agreed voltage at approximately the agreed frequency at the point of delivery shall constitute the supply of power involved hereunder, and when the voltage and the frequency are so maintained the amount of power, its fluctuations, lead factor, power factor, distribution as to phase and all other characteristics and qualities are under the sole control of the Customer, his agents, apparatus, appliances and circuits.

(b) In case the Commission shall at any time or times be prevented from delivering said power or any part thereof by strikes, lockouts, riots, fire, invasion, explosion Act of God, the King's enemies, or any other cause or causes reasonably beyond its contro, then the Commission shall not be bound to deliver such power during such time and the Customer shall not be bound to pay for such power during such times.

(c) The Commission shall be prompt and diligent in removing the cause of such interruption and as soon as the cause of such interruption is removed the Commission, shall, without any delay, deliver the said power as aforesaid, and the Customer shall take and use the same.

(d) It is further agreed hereby that the Commission shall have the right at reasonable times, and when possible, after due notice has been given to the Customer, to discontinue the supply of power to the Customer for the purpose of safe-guarding

Strike
House

Amended

The Commission's property, including such damage as may be caused by negligence on the part of any servant of the Commission or by default in the operation of the Commission or by any cause originating in the Commission's lines.

4- (g) The maintenance by the Commission of approximately

the agreed voltage at approximately the agreed frequency at the point of delivery shall constitute the supply of power to the purchaser, and when the voltage and the frequency are so maintained the amount of power, the characteristics, load factor, power factor, etc., shall be as phase and all other characteristics and qualities as shall be the sole control of the Commission, its agents, employees, suppliers and others.

(h) In case the Commission shall at any time or times

be prevented from delivering said power or any part thereof by strikes, lockouts, riots, fires, insurrections, explosions and of God, the Commission's obligation, or any other cause or causes reasonably beyond its control, then the Commission shall not be bound to deliver such power during such time and the Commission shall not be bound to pay for such power during such time.

(i) The Commission shall be exempt and exempt in

removing the cause of such interruption and as soon as the cause of such interruption is removed the Commission shall, without any delay, deliver the said power as aforesaid, and the Commission shall take and use the same.

(j) It is further agreed hereby that the Commission

shall have the right at reasonable times, and upon reasonable notice, to enter the premises of the Commission, to examine the

life or property, or for the purpose of making repairs, renewals or replacements to the lines or apparatus of the Commission, but all such interruptions shall be of a minimum duration and only by mutual consent and agreement with the Company for a time least objectionable to the Customer; failing such mutual agreement the Commission may interrupt the supply of power and the Customer shall not be bound to pay for power during such time as in the case of Clause (b) of this paragraph.

6.- A representative or engineer of the Commission appointed for this purpose, may, at any reasonable time during the continuance of this agreement, may have access to the premises of the Customer for the purpose of inspecting the electrical apparatus, plant or property of the Customer and to take records therefrom as required.

7.- It is mutually agreed:-

It is agreed that in case of any dispute arising relating to the question of the performance and fulfilment of any of the undertakings, provisions, provisos or conditions of this agreement, or as to the method or accuracy of the measurement of the power, or as to any question which may arise under this agreement, or as to the rights of any of the parties after the termination of this agreement, the same shall be promptly referred to arbitration, under the Arbitration Act, Revised Statutes of Ontario, 1914, by two independent persons, one to be chosen by each of the parties to such dispute, and such persons before proceeding with the references shall appoint a third arbitrator to act with them, and the decision of the said three arbitrators, or a majority of them, shall be conclusive on both parties except as hereinafter provided, and in case either of the said parties shall neglect or

life or property, or for the purpose of making repairs, removals or replacements to the lines or apparatus of the Commission, but all such interruptions shall be at a minimum duration and only by mutual consent and agreement with the Company for a time limit of not more than ten days; failing such mutual agreement the Commission may interrupt the supply of power and the Company shall not be bound to pay for power during such time as in the case of clause (b) of this paragraph.

6.- A representative or engineer of the Commission appointed for this purpose, may, at any reasonable time during the continuance of this agreement, may have access to the premises of the Customer for the purpose of inspecting the electrical apparatus, plant or property of the Customer and to take measures therefor as required.

7.- It is mutually agreed:-

It is agreed that in case of any dispute arising between the parties to the question of the performance and fulfillment of any of the undertakings, provisions, promises or obligations of this agreement, or as to the method or accuracy of the measurement of the power, or as to any question which may arise under this agreement, or as to the rights of any of the parties after the termination of this agreement, the same shall be promptly referred to arbitration under the Arbitration Act, 1916, as amended by Act No. 101 of 1917, by two independent persons, one to be chosen by each of the parties to such dispute, and such persons before proceeding with the reference shall appoint a third arbitrator for and with them, and the decision of the said three arbitrators, or a majority of them, shall be conclusive on both parties except as hereinafter provided, and in case either of the said parties shall refuse or

- 11 -

fail to appoint an arbitrator within thirty days after the request in writing by the other party, then the arbitrator appointed by the other party can proceed alone and his award shall be conclusive on both parties except as hereinafter provided. The award shall be made within four months after the appointment of the first of such arbitrators, and in the event of two arbitrators appointed as aforesaid being unable or unwilling to agree upon third arbitrator for two weeks after their appointment, or the appointment of the one of them, who was last appointed, then said third arbitrator shall be chosen and appointed by the Chief Justice for the time being of the King's Bench Division of the Supreme Court of the Province of Ontario, or in the event of the said Chief Justice being ill, absent from the Province, or otherwise unable to act or refusing to act, then such third arbitrator shall be appointed by any Judge of the Supreme Court for the Province of Ontario, but not a local Judge. It is agreed that there may be an appeal by either party from any decision or award of such arbitrators to the Appellate Division of the Supreme Court for the Province of Ontario in accordance with the provisions of the Arbitration Act in that behalf. An award made under this clause may be enforced in the same manner as a judgment or order of the Supreme Court of Ontario to the same effect and may be made a rule of Court for this purpose.

8-- This agreement shall be binding upon both parties herein for twenty years from the date of first taking of power hereunder with the right to the customer to continue the agreement for two further consecutive terms of ten years each by giving notice to the Commission in writing of their intention to continue the agreement for a further term of ten years, at least three years

shall be appointed an arbitrator within thirty days after the request in writing by the other party, when the arbitrator appointed by the other party can proceed alone and his award shall be conclusive on both parties except as hereinafter provided. The award shall be made within four months after the appointment of the first of such arbitrators, and in the event of two arbitrators appointed as above said being unable or unwilling to agree upon their arbitrator for two weeks after their appointment, or the appointment of the one of them, who was last appointed, then said third arbitrator shall be chosen and appointed by the Chief Justice for the time being of the King's Bench Division or the Supreme Court of the Province of Ontario, or in the event of the said Chief Justice being ill, absent from the Province, or otherwise unable to act or unwilling to act, then such third arbitrator shall be appointed by any Judge of the Supreme Court for the Province of Ontario, and not a local Judge. It is agreed that there may be an appeal by either party from any decision or award of such arbitrators to the Appellate Division of the Supreme Court for the Province of Ontario in accordance with the provisions of the Arbitration Act in that behalf. An award made under this clause may be enforced in the same manner as a judgment or order of the Supreme Court of Ontario to the same effect and may be made a rule of Court for this purpose.

2-- This agreement shall be binding upon both parties

herein for twenty years from the date of first taking of power hereunder with the right to the customer to continue the agreement for two further consecutive terms of ten years each by giving notice to the Commissioner in writing at their instance to continue

before the expiration of the first twenty years, and by giving notice in writing to the Commission of their intention to ~~of~~ ^{continue} the agreement for a further term of ten years, at least three years before the expiration of the first ten year period. The last of such periods to end forty years from the date of the first taking of power hereunder.

9- The Commission shall be entitled at the termination of this Agreement, or any extension thereof, or within thirty (30) days thereafter, to remove from the Customer's premises any and all plant or equipment which may have been installed by the Commission for the supply or measurement of power hereunder.

10- This agreement shall extend to and be binding upon and enure to the benefit of the successors and assigns of the parties hereto.

11- The Customer shall contemporaneously with the executing of this agreement deposit with the Commission a bond satisfactory to the Commission as security to the Commission for the due carrying out ~~as~~ by the Customer of the covenants and provisions therein provided for the sum of four hundred thousand dollars (\$400,000) provided however that when the Customer's plant and works contemplated herein are completed and in operation, if the financial standing of the Customer is such that some other method of securing the Commission, satisfactory to the Commission, is agreed upon, the same shall be substituted for the Bond, otherwise this Bond is to be continued in full force and effect for the space of ten years.

Bond

new

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.

The second part of the report deals with the economic situation of the country. It is a very interesting and informative study of the country's economic development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's economic development.

The third part of the report deals with the social situation of the country. It is a very interesting and informative study of the country's social development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's social development.

The fourth part of the report deals with the political situation of the country. It is a very interesting and informative study of the country's political development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's political development.

The fifth part of the report deals with the cultural situation of the country. It is a very interesting and informative study of the country's cultural development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's cultural development.

12 - Both the said parties hereto mutually and respectively covenant, promise and agree each with the other to abide by, observe perform, carry into effect and fulfill according to the true meaning and intent, all of the provisions and stipulations in these presents contained, performed and fulfilled by the said parties respectively.

13- This agreement shall have no force or effect until approved by the Lieutenant-Governor in Council.

IN WITNESS WHEREOF the Commission and the Customer have hereunto respectively affixed their Corporate Seals and the hands of their proper officers.

THE HYDRO ELECTRIC POWER COMMISSION OF ONTARIO.

CHAIRMAN.

SECRETARY.
GREAT LAKES PAPER COMPANY LIMITED.

12 - Both the said parties mutually and respectively
agreed, promised and agreed each with the other to abide by, observe
perform, carry into effect and fulfill, respectively to the same meaning
and intent, all of the provisions and stipulations in these presents
contained, mentioned and embodied by the said parties respectively.

13 - This agreement shall have no force or effect until

approved by the Lieutenant-Governor in Council.

14 - THESE PARTIES the Commission and the Government have

heretofore respectively signed their respective names and the seals of

their proper offices.

THE SIGNED ALBERTA POWER COMMISSION OF 1910.

CHIEF CLERK.

CHIEF CLERK
ALBERTA POWER COMMISSION

53
Do not know when this
agreement was signed

116
but after March 6, 1922
Office of The
Deputy Minister of Lands and Forests

2/9/22

THIS AGREEMENT made in triplicate this Ninth
day of February, One Thousand Nine Hundred and
Twenty-two.

B E T W E E N;

His Majesty represented by the
Honourable the Minister of Lands
and Forests for the Province of
Ontario, hereinafter called the
Government

Of the First Part

- and -

Lewis L. Alsted, Esquire, of the
City of Milwaukee in the State of
Wisconsin, and George M. Seaman,
Esquire, of the City of Chicago,
in the State of Illinois, here-
inafter called the Grantee

Of the Second Part

WHEREAS an agreement bearing date the Ninth day

of May A.D. 1917 was entered into between the Party of the First Part and One John J. Carrick of the City of Port Arthur, in the District of Thunder Bay, as party of the Second Part, relating to the right to cut pulpwood and pine timber on certain territories situate on and adjacent to the Pic River and the Black Sturgeon River in the District of Thunder Bay, more particularly described in the said agreement; a copy of which agreement is hereto annexed and marked Exhibit "A".

AND WHEREAS, an agreement bearing date the Eighth day of May, One Thousand Nine Hundred and Eighteen was entered into between the said Party of the First Part and the said John J. Carrick of the Second Part, amending the said agreement of the Ninth day of May, One Thousand Nine Hundred and Seventeen, a copy of which amending Agreement is hereto annexed and marked Exhibit "B".

AND WHEREAS by successive assignments duly approved by the Minister of Lands, Forests and Mines, the entire interest of the said John J. Carrick in and to the Pic River Pulp and Timber Limit and the Black Sturgeon River Pulp and Timber Limit as referred to in Exhibit "A" and "B" was duly transferred to the said Lewis L. Alsted and George M. Seaman.

AND WHEREAS it is deemed to be in the mutual interests of the parties hereto that the said Agreements of May 9th, 1917, and May 8th, 1918, be amended as hereinafter provided.

NOW THIS INDENTURE WITNESSETH and it is agreed by and between the Government and the Grantees as follows, that is to say:-

The said Agreement dated May 9th, 1917, Exhibit "A" hereto is hereby varied as follows:-

1. In lieu of Clauses 1, 2 and 3 of the said Agreement dated the 9th day of May, 1917, the following clauses are substituted, namely:

(1) The Grantees shall expend the Sum of Two Million Dollars (\$2,000,000.00) in connection with the providing of pulp and paper mills, their equipment and machinery and such other mills, buildings, developments and structures as are necessary to the undertaking. Such mills, buildings, developments and structures shall be located on the site approved by the Order-in-Council dated the Twenty-fifth day of October, 1920, being the so called Indian Mission site adjoining the City of Fort William, or at such other site as may hereafter on the application of the Grantees be approved by the Lieutenant-Governor in Council.

(2) Of the said sum of Two Million Dollars, (\$2,000,000.00) there shall be expended not less than four hundred thousand dollars, (\$400,000.00) before the 9th day of February, 1924, and the remainder of the said sum of

Two Million Dollars, (\$2,000,000.00) before the 9th day of February, 1925, it being distinctly understood that the expenditures of the said sum of Two Million Dollars, (\$2,000,000.00) as aforesaid, and the employment of hands as hereinafter provided, shall form part of the consideration for the price of the pulpwood and pine timber upon the said limits, and that the cutting of the said pulpwood and pine timber may begin as soon as and when four hundred thousand dollars (\$400,000.00) shall have been so expended.

(3) The Grantees covenant that the said pulp mill shall be of, and shall be operated to, such capacity as the Minister of Lands and Forests in his discretion may determine, and that they will before the 9th day of February, 1925, erect and have completed on the site above mentioned,

a paper mill having a capacity of at least 100 tons of paper per day and after the erection and completion thereof will operate the same continuously for the period of this Agreement so that that the daily output shall not be less than 100 tons of paper, and the Grantees covenant that they will keep employed in connection with the said pulp and paper mills when completed at least 600 employees on an average for at least ten months in each and every year.

2. Clause 14 of said agreement dated the 9th day of May, A.D. 1917, is hereby amended by inserting after the word "erect" in the first line thereof, the words "or provide."

3. In consideration whereof the said Agreement dated May 8th, 1918, hereto annexed and marked Exhibit "B" is hereby abrogated and the Grantees hereby waive all rights, if any, which they may have or claim to have against the Government under or by virtue of the conditions of sale hereto attached and marked respectively Exhibit "C" and "D", or under or by virtue of any other document or any Agreement whatsoever to obtain from the Crown a lease or leases of water power or water powers, - but do not waive their right to make application to the Government in the ordinary course for the granting of a lease of a water power.

IN WITNESS WHEREOF the said Minister of Lands and Forests for the Province of Ontario, and the Parties of Second Part have herunto set their hands and seals.

SIGNED, SEALED AND DELIVERED

in the presence of

(Sgd) T.J. Niven.

(Sgd) L.A. Lecher

(Sgd) E. Sanders

) (Sgd) Beniah Bowman

) _____

) _____

) (Sgd) Lewis L. Alsted

) _____

) _____

) (Sgd) Geo. M. Seaman.

) _____

SEAL.

DATED Ninth day of February, 1922

HIS MAJESTY

" and "

ASSISTED AND SEAMAN

A G R E E M E N T

122

EXHIBIT "A"

See Page 17 of Blue Book Return 1920, where
Agreement of 9th May, 1917 is set out in full.

123

B

THIS A AGREEMENT made in triplicate this Eighth day of
May One Thousand Nine Hundred and Eighteen

BETWEEN:

HIS MAJESTY represented by the
Honourable the Minister of Lands,
Forests and Mines for the Province
of Ontario, hereinafter called the
Government,

Of the First Part

- and -

JOHN J. GARRICK of the City of Port
Arthur in the District of Thunder
Bay, Esquire, hereinafter called
the Grantee

Of the Second Part

WHEREAS an agreement bearing date the Ninth day of
May A.D. 1917 was entered into between the parties hereto
relating to the right to cut pulpwood and pine timber on
certain territories situate on and adjacent to the Pic
River and the Black Sturgeon River in the District of
Thunder Bay, more particularly described in the said
agreement;

AND WHEREAS it was agreed between the parties
hereto and thereto that an adequate supply of electrical
horse power should be available to the Grantee to operate

67
THIS AGREEMENT made in triplicate this eighth day of

May one thousand nine hundred and eighteen

between

HIS MAJESTY represented by the
Honourable the Minister of Lands,
Forests and Mines for the Province
of Ontario, hereinafter called the
Government,

Of the first part

- and -

JOHN J. LARSON of the City of Port
Arthur in the Province of Thunder
Bay, hereinafter called
the Lessee

Of the second part

WHEREAS an agreement bearing date the fifth day of

May A.D. 1917 was entered into between the parties hereto
relating to the right to cut pulpwood and pine timber on
certain territories adjacent on and adjacent to the
River and the Black River in the Province of
Thunder Bay, more particularly described in the said

agreement;

AND WHEREAS it was agreed between the parties

hereto and hereto that an adequate supply of electrical

the Pulp and Paper Mills stipulated for in the said agreement.

AND WHEREAS there is not as yet available such power for the use of the Grantee as aforesaid and it is agreed that the Grantee shall not be required or called upon to perform and discharge the duties and obligations and to make the payments imposed upon him as in the said agreement set forth until an adequate supply of such power is made available for all such purposes;

NOW THEREFORE THIS INDENTURE WITNESSETH and it is agreed by and between the Government and the Grantee as follows, that is to say:

1. The Grantee shall not be called upon or required to perform or enter upon the performance of the terms, conditions, duties or obligations, or any of them, imposed or binding upon him, as in the said agreement set forth, nor shall the payments and expenditures referred to in the said agreement or any of them accrue or be chargeable against the Grantee; nor shall the Grantee be deemed to be in any default whatsoever under the said agreement, until such time as an adequate supply of electrical power is made available for the Grantee sufficient for the operation of the mills provided for in the said agreement.

2. The period of time for the construction by the Grantee of the mills referred to in the said agreement shall be and the same is hereby extended until such time as the said adequate supply of electrical power is made available as aforesaid.

3--

IN WITNESS WHEREOF the said Minister of Lands,
Forests and Mines for the Province of Ontario, and the Party
of the Second Part, have hereunto set their hands and seals.

SIGNED SEALED AND DELIVERED

in the presence of

G.H. Hole) (SGD).

G. H. Ferguson (Sgd)

J.J. Garrick (Sgd)

IN WITNESS WHEREOF the said Minister of Finance
Forbes and Kins for the Province of Ontario, and the Party
of the Second Part, have hereunto set their hands and seals.

A. R. FORBES (Sgd)

J. L. CARLTON (Sgd)

SIGNED SEALED AND DELIVERED
in the presence of

G. H. MOIR (Sgd)

126
EXHIBIT C. & D.

The general conditions published in connection with the Pie River and Black Sturgeon Limits were identical in form. Copies of the conditions are on file in the office though not available for distribution.

The important clause with regard to the right to a lease of an undeveloped water power reads as follows;

"(13) The successful tenderer shall be entitled to obtain a lease from the Crown upon the usual terms, of some suitable water power either within the territory now offered for sale, or at some other suitable point within the Province, as may be agreed upon between the successful tenderer and the Minister of Lands, Forests and Mines. Said lease to be subject to such conditions and stipulations and the said Minister may deem expedient. Said lease shall contain a provision for the development of said powers to the full extent thereby required according to plans and specifications approved by the Hydro Electric Power Commission. All Water Powers and privileges on the said ~~sixxi~~ territory shall be reserved by the Crown.

64 127
ONTARIO
Executive Council Office

Department
Lands Forests & Mines.

Copy of an Order-in-Council, approved by His Honour
the Lieutenant-Governor, dated the 25th day of October, A.D. 1920.

The Committee of Council have had under consideration
the report of the Honourable the Minister of Lands and Forests,
dated 25th October, 1920, wherein he states that the Great Lakes
Paper Company, Limited, have submitted an application for approval
as a location for mills to be constructed in fulfilment of their
obligations under the agreement of the concession of the Black
Sturgeon and Pic River Pulp and Timber Limits. That the said
location adjoins the City of Fort William as shown outlined in
red on the attached blue print, being a part of the so called
Indian Mission, and bounded on the north and on the east by lands
of the Grand Trunk Railway Company.

The Minister recommends that the said location
be approved of by Your Honour.

The Committee concur in the recommendation of the
Honourable the Minister and advise that the same be acted on.

Certified,

T. Capreol (Sgd)

Clerk, Executive Council.

Executive Council Office

Department
London Toronto & Montreal

Copy of an Order-in-Council, approved by His Honour

the Lieutenant-Governor, dated the 25th day of October, A.D. 1920

The Minister of Councils have had under consideration
the report of the Honourable the Minister of Lands and Forests,
dated 25th October, 1920, wherein he states that the Great Lakes
Paper Company, Limited, have submitted an application for approval
as a location for mill to be constructed in fulfillment of their
obligations under the agreement of the construction of the Black
River and the River and the River Limited. That the said
location adjoins the City of Port William as shown outlined in
red on the attached site plan, being a part of the so called
Indian Reserve, and bounded on the north and on the east by lands
of the Grand Trunk Railway Company.

The Minister recommends that the said location

be approved of by Your Honour.

The Committee concurs in the recommendation of the

Honourable the Minister and advises that the same be acted on.

Carried.

T. Campbell (Secy)

Stark, Executive Council.

C O P Y

Toronto, Canada

March 6th, 1922.

Hon. Beniah Bowman,
Minister of Lands and Forests,
Toronto, Ontario.

Sir:-

Referring to the proposed new agreement submitted to us by the Government relating to the Black Sturgeon and Pic River Timber Limits (which agreement is dated as of Feb. 9th, 1922) we beg to advise that the agreement is in substance entirely satisfactory to us.

Both the Government and ourselves desire the mill to be located on the Mission Site at Fort William, both the Government and ourselves desire building operations to begin as soon as practicable and to be completed within three years. We, on our part, now have a very substantial sum of money invested in these Limits, and are anxious to get to work so that we may begin to get returns on our investment.

If it should happen, however, that at the time we are required under the agreement to begin construction, we are unable to secure at the Mission Site an adequate supply of power at a satisfactory price and terms for the erection and operation of a pulp mill to manufacture our own pulp, but are able at such time to obtain such supply of power at prices and upon terms satisfactory to us at some other location, we respectfully request an expression from the Government as to whether in such event the Government will prefer to permit a change in the location of the mills to a place where such supply of power is obtainable, or grant an extension of time for construction until such supply of power is obtainable at the Mission Site.

We are hopeful that this contingency will never arise, as we are very desirous of both beginning operations at the earliest practicable time, and of locating our enterprise on the Mission Site, but we cannot, (and your Government does not expect us to) operate a paper mill without a supply of power.

May we further inquire whether the time within which we are required to perform under the proposed agreement will begin to run as of Feb. 9th, the date on which the Agreement was prepared, or as of the date it is executed.

Sincerely yours,

THE GREAT LAKES PAPER COMPANY, Ltd.

By Lewis L. Alsted.

Toronto, Canada

March 25th, 1922.

Hon. Benoit Bowser,
Minister of Lands and Forests,
Toronto, Ontario.

Sir:-

Referring to the proposed new agreement submitted to us by the Government relating to the Black Sturgeon and Rio River Timber Limit (which agreement is dated as of Feb. 9th, 1922) we beg to advise that the agreement is in substance entirely satisfactory to us.

Both the Government and ourselves desire the mill to be located on the Mission Site at Fort William, both the Government and ourselves desire building operations to begin as soon as practicable and to be completed within three years. We, on our part, now have a very substantial sum of money invested in these limits, and are anxious to get to work so that we may begin to get returns on our investment.

It is should happen, however, that at the time we are required under the agreement to begin construction, we are unable to secure at the Mission Site an adequate supply of power at a satisfactory price and terms for the erection and operation of a mill will to manufacture our own pulp, but are able at such time to obtain such supply of power at prices and upon terms satisfactory to us at some other location, we respectfully request an expression from the Government as to whether in such event the Government will prefer to permit a change in the location of the mill to a place where such supply of power is obtainable, or grant an extension of time for construction until such supply of power is obtainable at the Mission Site.

We are hopeful that this contingency will never arise, as we are very desirous of both beginning operations at the earliest practicable time, and of locating our enterprise on the Mission Site, but we cannot, (and your Government does not expect us to) operate a paper mill without a supply of power.

May we further inquire whether the time within which we are required to perform under the proposed agreement will begin to run as of Feb. 9th, the date on which the agreement was prepared, or as of the date it is executed.

Sincerely yours,

THE GREAT LAKES PAPER COMPANY, Ltd.

By Lewis E. Alsted.

66 129
C O P Y

Toronto, Ontario,

March 6th, 1922

303799

*B. Bowman
Signed This*
Dear Sirs -

The Government has considered your letter of the 6th inst., relative to the Government's interpretation of the proposed new agreement with the Crown relative to the Black Sturgeon and Pic River Limits, and you are advised that while the Government desires to co-operate with the City of Fort William to the fullest extent in maintaining the Mission Site, already approved by Order-in-Council, as the location for your enterprise, the Government cannot fairly ask you to erect or provide paper and pulp mills if a supply of power sufficient for the operation thereof is not available. The Government cannot, however, consent that the time for commencing and completing the expenditure of the moneys and the providing or erecting of the mills, as provided in the said agreement, be extended merely because a supply of power is not available at the Mission Site if a supply of power at satisfactory prices and terms, sufficient for the operation of the mills is then obtainable at some other suitable location, but will in such case give favorable consideration to an application of the Grantees for approval of such other site.

You are further advised that your time for performance of the agreement dated as of February 9th 1922, will begin to run as of that date.

Yours very truly,

Lewis E. Alsted, Esq.,

George M. Seaman, Esq.,

The Great Lakes Paper Co., Ltd.,
Milwaukee, Wis.

Coronado, Arizona

March 2nd, 1933

303799

Dear Sirs -

The Government has considered your letter of the 28th inst., relative to the Government's interpretation of the proposed new agreement with the Crown relative to the Black Mountain and the River Mining and you are advised that while the Government desires to co-operate with the City of Fort William in the fullest extent in maintaining the Mining River, already approved by Order-in-Council, as the location for your enterprise, the Government cannot finally ask you to erect or provide power and this is a supply of power sufficient for the operation thereof is not available. The Government cannot, however, consent that the time for commencing and completing the expenditure of the money and the providing an erecting the mill, as provided in the said agreement, be extended merely because a supply of power is not available at the Mining River is a supply of power at satisfactory prices and terms, sufficient for the operation of the mill is then obtainable at some other suitable location. But will in each case give favorable consideration to an application of the Government for approval of such other site.

You are further advised that your time for performance of the agreement dated as of February 28th 1933, will begin to run as of that date.

Yours very truly,

David L. Alford, Esq.,

George H. Seaman, Esq.,

The Great Lakes Paper Co., Ltd.,

Minneapolis, Wis.

Memo by F. R. Titus, Solicitor
to Dept of Lands and Forests,
dated Dec. 1, 1921, expressing
opinion as to whether the Great
Lakes Paper Co. Ltd., was in
default under its agreement with
the province. Pursuant to this
memo the agreement of 9th Feb.
1922 was negotiated.

R.L.F.

C O P Y

Genorale, Genorale,

March 2nd, 1933

508799

Dear Sirs -

The Government has considered your letter of the 28th inst., relative to the Government's interest in the proposed new agreement with the Crown relative to the Alaska Highway and the River Limit, and you are advised that while the Government desires to co-operate with the City of Fort William to the extent in maintaining the Mission River, already approved by the Board-in-Council, on the location for your enterprise, the Government cannot finally ask you to erect or provide power and only mills is a supply of power sufficient for the operation thereof is not available. The Government cannot, however, consent that the time for commencing and completing the expenditure of the money and the providing of electricity to the mills, as provided in the said agreement, be extended merely because a supply of power is not available at the Mission River if a supply of power at satisfactory prices and terms, sufficient for the operation of the mills is then obtainable at some other suitable location, but will in such cases give favorable consideration to an application of the licensee for approval of such other site.

You are further advised that your time for performance of the agreement dated as of February 28th, 1933, will begin to run as of that date.

Yours very truly,

David L. Alston, Esq.,

George H. Bennett, Esq.,

The Great Lakes Paper Co., Ltd.,

Minneapolis, Wis.

*Long Tutors
Sol. to self Grant, J. J. Carrick*

MEMORANDUM FOR THE MINISTER
OF LANDS & FORESTS

RE

GREAT LAKES PULP AND PAPER COMPANY

AN ABSTRACT OF THE AGREEMENT DATED THE 9th OF MAY, 1917 ENTERED INTO BETWEEN THE GOVERNMENT AND MR. J.J. CARRICK; AND THE EXTENSION AGREEMENT THEREOF; THE INTERPRETATION PUT UPON THE CONTRACT BY THE COURT IN THE ACTION OF THE ATTORNEY-GENERAL OF ONTARIO AGAINST THE GREAT LAKES PAPER COMPANY LIMITED; THE DATE WHEN POWER FROM THE HYDRO-ELECTRIC BECAME AVAILABLE; THE QUANTITY OF POWER NOW AVAILABLE AND A NOTICE SERVED UPON THE COMPANY THAT POWER WAS AVAILABLE TOGETHER WITH AN OPINION AS TO WHETHER THE COMPANY IS NOW IN DEFAULT UNDER ITS AGREEMENT.

The agreement which is dated the 9th day of May, 1917, is for a period of 21 years with a provision that if upon the termination of the said 21 years, the Grantee shall have fully performed the terms and conditions of the agreement to the satisfaction of the Government, the Grantee shall be entitled to a renewal thereof for a further term of 21 years, upon such terms and conditions as may then be fixed by the government.

The agreement provides;

1. That the Grantee shall with all convenient despatch, proceed with the construction of a pulp mill within the limits or at some other place approved by the Lieutenant-Governor in Council, (Par. 1. 1917 agreement)
2. Thoroughly equip the same so that the expenditure in connection with the erection, equipment, and maintenance of the pulp mill and such other mills, buildings, developments, and

2-5-1917
2-5-1917
2-5-1917

SECRETARY LANDS, FORESTS AND WATER COMPANY

111

AN ABSTRACT OF THE AGREEMENT DATED THE 24th OF MAY, 1917

ENTERED INTO BETWEEN THE GOVERNMENT AND MR. J. E. CARRISON: AND
THE EXECUTION AGREEMENT THEREON: THE AGREEMENT FOR THE
CONSTRUCTION BY THE GOVT. IN THE VILLAGE OF THE WATER-PIPE
OF WATER MAINS AND THE WATER MAINS PIPES JOINTLY LIMITED: THE
CASE WHEN POWER FROM THE HYDRO-ELECTRIC WORKS AVAILABLE:
AMOUNT OF POWER NOW AVAILABLE AND A NOTICE SHOWN FROM THE
GOVERNMENT THAT POWER WAS AVAILABLE TOGETHER WITH AN ORDER AS
TO WHETHER THE COMPANY IS NOT IN THE LINE WITH THE AGREEMENT.

The agreement which is dated the 24th day of May, 1917.

is for a period of 21 years with a provision that it upon the
termination of the said 21 years, the parties shall have jointly
performed the terms and conditions of the agreement to the satis-
faction of the Government, the parties shall be entitled to a re-
newal thereof for a further term of 21 years, upon such terms and
conditions as may then be fixed by the Government.

The agreement provides:

1. That the parties shall with all convenient speed
proceed with the construction of a pipe with the limits
as at some other place approved by the Government-Governor in
Council. (Part 1. 1917 agreement)

2. Thereby also the same to what the expenditure in
connection with the erection, equipment, and maintenance of the

2--

structures necessary to the undertaking will be at least, Two Million Dollars (\$2,000,000.) (Par.1), of which Par. 2 provides that \$400,000. shall be expended within one year, \$700,000. within two years, and the remainder of the sum within three years from the date of the agreement.

3. The Grantee shall operate the same so that the daily output thereof shall not be less than 300 tons of pulp. (Par. 1) No time is mentioned for the operation to commence.

4. The Grantee is to operate the same so that at least 600 hands on an average shall be kept employed in connection therewith for at least 10 months in each and every year. (Par. 1)

5. The Grantee shall erect a paper mill within such time and at such place as the Lieutenant-Governor in Council may direct the paper mill to have a capacity of 200 tons of paper per day. (Par. 3)

6. (a) By an agreement dated the 8th day of May, 1918, it was provided that the Grantee shall not be required or called upon to perform and discharge or enter upon the performance of the terms, conditions, duties and obligations or any of them imposed on him by the agreement dated the 9th of May, 1917, nor shall the Grantee be in any default whatever under the agreement of the 9th day of May, 1917, until such time as the supply of electrical power is made available for the Grantee adequate for the operation of the mills provided for in the said prior agreement.

(b) The period of time for the construction by the Grantee of pulp and paper mills is thereby extended until such time as the adequate supply of electrical power is made available as aforesaid.

amounts necessary to the undertaking will be at least, two million dollars (\$2,000,000.) (Par. 1.) of which two, \$2,000,000, shall be expended within one year, \$700,000, within two years, and the remainder of the sum within three years from the date of the agreement.

3. The Grantee shall operate and cause to be operated the project thereof shall not be less than 500 tons of pulp. (Par. 1) No time is mentioned for the operation to commence.

4. The Grantee is to operate the same as fast as land 500 acres or an average shall be kept employed in connection therewith for at least 10 months in each and every year. (Par. 1)

5. The Grantee shall erect a paper mill within two years and at such place as the Lieutenant-Governor in Council may direct the paper mill to have a capacity of 500 tons of paper per day. (Par. 2)

6. (a) If an agreement dated the 25th day of May, 1913, is was provided that the Grantee shall not be required to deliver to perform and discharge or under upon the performance of the terms, to deliver, deliver and obligations or any of them imposed on him by the agreement dated the 25th day of May, 1913, nor shall the Grantee be in any default whatsoever under the agreement of the 25th day of May, 1913, until such time as the supply of electrical power is made available for the Grantee's use for the operation of the mill provided for in the said prior agreement.

(b) The period of time for the construction of the Grantee of pulp and paper mill is hereby extended until such time as the adequate supply of electrical power is made available as

132
3--

7. After the erection said paper mill, the Grantee shall operate the same continuously for the period of the agreement, so that the daily output shall not be less than 150 tons of paper.

(Par. 5 1917 Agr)

8. On the Pic River area the Grantee is to pay a bonus of 50¢ per cord on all pulpwood cut, together with dues of 40¢ per cord for Spruce and 20¢ per cord for other pulpwoods also a bonus of \$12 per thousand feet Board Measure for White Pine cut, and \$6.00 per M. ft. B.M. for Red Pine cut, together with dues of \$2.00 per M. ft. B.M. for White and Red Pine cut.

9. On the Black Sturgeon River the Grantee is to pay a bonus of 70¢ per cord for all pulpwood cut plus dues of 40¢ per cord for Spruce, and 20¢ per cord for all other pulpwoods cut; a bonus of \$7.00 per M. ft B.M. for White Pine cut and \$5.00 per M. ft B.M. for Red Pine cut, together with dues of \$2.00 per M. ft B.M. for Red and White Pine cut.

10. In addition to the above amounts, the Grantee was also bound to pay such other rates of dues as may from time to time be fixed by the Lieutenant Governor in Council for such pulpwood and Pine, but said dues were not^{to}/be at higher figures than the price at which the general public shall be permitted to cut.

11. The wood and timber is to be cut upon such portions of said territory and in such manner as the Minister of Lands and Forests may direct, and such precautions taken and means employed to prevent injury or destruction by fire and at such cost to the Grantee as the Minister or statutes having reference thereto, may require. (Par. 6.)

After the expiration said power shall be given to the same commission for the period of the agreement, so that the daily output shall not be less than 100 tons of paper.

(For 3 1917 act)

On the River area the license is to pay a bonus of 50¢ per cord on all pulpwood cut, together with dues of 40¢ per cord for license and 20¢ per cord for other pulpwood also a bonus of 12¢ per thousand feet board measure for white pine cut, and \$2.00 per M. ft. B.M. for Red Pine cut, together with dues of \$2.00 per M. ft. B.M. for White and Red Pine cut.

On the River section River the license is to pay a bonus of 70¢ per cord on all pulpwood and 12¢ per cord for license, and 20¢ per cord for all other pulpwood also a bonus of \$7.00 per M. ft. B.M. for White Pine cut and \$2.00 per M. ft. B.M. for Red Pine cut, together with dues of \$2.00 per M. ft. B.M. for Red and White Pine cut.

In addition to the above amounts, the licensee was also bound to pay such other dues or taxes as may from time to time be fixed by the Minnesota Governor in Council for such pulpwood and pine, but said dues were not to be at higher figures than the rates at which the general public shall be permitted to cut.

The wood and timber is to be cut upon such portions of said territory and in such manner as the Minister of Lands and Forests may direct, and such provisions taken and means employed to prevent injury or destruction by fire and at such times to the quantity as the Minister or Statute having reference thereto.

may require. (For 3 1917 act)

4--

12. All pulp and wood cut on the said territory is to be used for and manufactured at the said mill. The Pine cut is to be manufactured into lumber in accordance with the Crown timber Act, that is, shall be manufactured into lumber in the Province of Ontario. (Par. 10)

13. Proper sworn returns of the quantity of wood and Pine cut each season is to be made and payment therefor to be made not later than the 1st of October in each year. (Par. 13)

14. The Grantee is not to pollute or permit waters to be polluted by refuse which will injure and drive fish away. (Par. 15)

15. It also provided that on the failure of the Grantee to erect said pulp and paper mills and expend the money thereon hereinbefore stated or in default of keeping such pulp and paper mills running and the number of hands employed as aforesaid or upon default of compliance with any of the terms, provisions and conditions as aforesaid, the Government might revoke the Grantee's right to cut pulpwood or Pine timber whereupon the deposit or bonus shall be forfeited to the Crown as liquidated damages (providing that thirty days' notice in writing is to be given to the Grantee upon revocation). (Par. 14).

The conditions of sale provided that the successful tenderer should be entitled to obtain a lease from the Crown upon usual terms of some suitable water power either within the territory then offered for sale or at some other suitable place within the Province as might be agreed upon between the successful tenderers and the Minister of Lands and Forests.

By writ issued the 26th May 1920, an action was begun by the Attorney General of Ontario against the Great Lakes Paper Company, Limited. This action of the Attorney General sought a declaration that in virtue of the agreement dated the 9th May 1917, as amended by agreement dated the 8th of May, 1918, the Company was bound to take from the Crown through the Hydro-Electric Power Commission of Ontario at cost the supply of electrical power requisite to operate the mills and plant which under the above mentioned agreements, the Company was bound to erect and operate, an injunction was asked also to restrain the company from obtaining otherwise than from the Crown through the Hydro-Electric Commission the said supply of electric power or any part thereof.

In the action thus instituted, the Defendants by way of counterclaim asked for a declaration that the Crown was bound by agreement to grant to the company a lease of a suitable water power which the company might develop for itself, that the company is entitled to damages for default in granting such lease and that the company is at liberty to obtain the electrical power from whom it will.

In his reasons for judgment, Mr. Justice Rose says in effect that after reading and after re-reading the papers he was unable to say that it was proved against the Defendants that the Company agreed to take from the Crown through the Hydro electric Power Company of Ontario, at cost, the supply of electrical power requisite to supply the company's mills and plant which the Company were under obligation to erect and operate. The judgement accordingly dismissed the Attorney General's action.

By writ issued the 26th May 1913, an action was begun by the Attorney General of Ontario against the Great Lakes Paper Company, Limited. This action of the Attorney General sought a declaration that in virtue of the agreement dated the 25th May 1911 as amended by agreement dated the 6th of May, 1912, the Company was bound to take from the Crown through the Hydro-Electric Power Commission of Ontario at least the supply of electrical power required to operate the mills and plant which under the above mentioned agreement the Company was bound to erect and operate, an injunction was asked also to restrain the company from obtaining otherwise than from the Crown through the Hydro-Electric Commission the said supply of electric power or any part thereof.

In the action thus instituted, the Defendants by way of counterclaim asked for a declaration that the Crown was bound by agreement to grant to the company a lease of a suitable water power which the company might develop for itself, that the company is entitled to damages for default in granting such lease and that the company is at liberty to obtain the electrical power from whom it will.

In his reasons for judgment, Mr. Justice Macdonald says in effect that after reading and after re-reading the papers he was unable to say that it was proved against the Defendants that the Company agreed to take from the Crown through the Hydro-Electric Power Commission of Ontario, at least, the supply of electrical power required to supply the company's mills and plant which the Company was under obligation to erect and operate. The judgment accordingly dismissed the Attorney General's action.

135

It was held that the Defendants failed on their counter-claim. The Judge was of the opinion that it was proved that the request of the Government that the making available of the supply of power developed by the Hydro Electric Power Company should be accepted instead of the lease of the water power, had been acceded to, and the formal judgment entered in the action declared that the Defendants are not entitled to a lease of any water power unless the Province of Ontario fails to make available at cost, electric power developed by the Hydro-Electric Power Commission of Ontario suitable and sufficient for the purpose of the Defendant's undertaking of the 9th of May 1917, and the 8th of May, 1918, in the pleadings mentioned.

On June 30th, 1921 a letter, of which the following is a copy, was mailed to The Great Lakes Pulp & Paper Company;

"I have to inform you, on behalf of the Government of the Province of Ontario, that an adequate supply of electrical power is now available for you (and has been so available since the first day of April last), sufficient for the operation of the mills, as stipulated and provided for in the agreement between His Majesty the King and John J. Carrick, dated the 9th of May, 1917.

Yours truly,

(Sgd) Beniah Bowman..

Minister of Lands and Forests.

The Great Lakes Pulp & Paper Company,
Hellmuth, Gattanach & Meredith,
C.P.R. Building, Toronto."

Mr. Pope, Secretary of the Hydro-Electric Power Commission has furnished me with the following information;

It was held that the respondents failed to show that the
The Judge was of the opinion that it was proved that the
respondent of the Government that the making available of the supply
of power developed by the Hydro-Electric Power Company should be
assigned instead of the lease of the water power, had been assigned
to, and the former judgment entered in the action declared that the
respondents are not entitled to a lease of any water power unless the
Province of Ontario fails to make available an equal electric power
developed by the Hydro-Electric Power Commission of Ontario and
and sufficient for the purpose of the respondents' undertaking of the
2nd of May 1917, and the 2nd of May, 1918, in the following manner:
On June 28th, 1921 a letter, of which the following is a

copy, was mailed to The Great Lakes Trip & Paper Company:

"I have to inform you, on behalf of the Government
of the Province of Ontario, that an adequate supply of
electrical power is now available for you (and has been
as available since the first day of April last), sufficient
for the operation of the mill, as stipulated and provided
for in the agreement between His Majesty the King and
John J. Gaultier, dated the 2nd of May, 1917.

Yours truly,

(Sgd) Gordon Bowman.

Minister of Lands and Forests.

The Great Lakes Trip & Paper Company,
Wellington, Ontario & Montreal,
C.P.R. Building, Toronto.

Mr. Joyce, Secretary of the Hydro-Electric Power
Commission has furnished me with the following information:

7--

1. Power was first available for the Great Lakes Pulp & Paper Company on March 15, 1921.
2. The quantity of power that the Company required for its initial operation, and which was to be inserted in the contract to be entered into by it, was 10,000 h.p. which amount was available for its use on March 15, 1921.
3. The amount of power available for The Great Lake Pulp & Paper Company from The Nipigon Development Company June 30, 1921, was 10,000 h.p.
4. The quantity of power available for The Great Lakes Pulp & Paper Company at the present time, is 10,000 h.p.
5. The quantity of power not being used by the Nipigon development, by the Great Lakes Pulp & Paper Company not being the user, is 10,000 h.p.
6. The additional power can be obtained on notice by the installation of equipment only up to 75,000 h.p.

By letter dated March 11th, 1921, The Great Lakes Pulp & Paper Company applied for approval of the Indian Mission site adjoining Fort William, bounded on the North and East by the land of the Grand Trunk Railway, as a location for the mills to be constructed by them under the above agreement. The Order in Council dated the 25th October, 1920, was passed approving of the above location.

Having been instructed by you, subsequent to the preparation of the preceding memorandum, to submit my opinion upon the question whether the grantee is now in default and the Crown entitled to revoke the grant, I have read Files Numbers 9457, 21144, and 25066, apparently the only files deal-

8--

ing with the subject, and find that Paragraph 14 of the agreement dated the 9th May 1917, set out on preceding page 3 of this memo, as Clause 15, in effect provides that on the failure of the Grantee to erect the pulp and paper mills mentioned in said agreement, and to operate the same as theretofore stated, or in default of keeping such pulp and paper mills running and the six hundred hands on an average employed in connection therewith, for at least ten months in each and every year, or upon default of compliance with any of the terms, provisions and conditions of said agreement, the Government might revoke the Grantee's right to cut pulpwood or Pine timber.

The said agreement also provides that the daily output of the mills shall be 300 tons of pulp and 200 tons of paper. There is in the agreement a reference to "such other mills etc., necessary to the undertaking", probably the other mills here referred to, are sawmills.

The amending agreement dated May 8th, 1918, declares that the Grantee shall not be "deemed to be in any default whatsoever under the said agreement until such time as an adequate supply of electrical power is made available to the Grantee sufficient for the operation of the mills provided for in the said (1917) agreement."

The general principle laid down in reference to invoking the power of clauses of an agreement entitling one of the parties to the agreement to declare the rights of the other party to the agreement, to be forfeited is that the party insisting upon the right of forfeiture shall have strictly complied with all the obligations resting upon him as conditions

lay with the subject, and that paragraph 14 of the

agreement dated the 15th May 1917, and see on preceding page 2

of this memo, as clause 18, in which it is provided that on the 1st

day of the month of June 1917, the said mills mentioned

in said agreement, and on or before the 1st day of June 1917

shall be in a position to begin work and to begin to

working and the said mills should be in a position to begin

working on the 1st day of June 1917, for at least ten months in each and every

year, or more, subject to the condition that any of the above, pro-

vided and conditions of said agreement, the Government might

require the grantee's right to be renewed or to be

The said agreement also provided that the daily out-

put of the mills shall be 500 tons of pulp and 500 tons of paper

There is in the agreement a reference to "such other mills as"

necessary to the undertaking", probably the other mills here

referred to, are included.

The amending agreement dated May 1918, provides

that the Grantee shall not be "deemed to be in any default

whereas under the said agreement until such time as an independent

supply of electrical power is made available to the Grantee

condition for the operation of the mills provided for in the

said (1917) agreement."

The General Principles laid down in reference to

involving the power of issuance of an agreement existing on or

the parties to the agreement to declare the rights of the other

party to the agreement, to be forfeited as that the party

insisting upon the rights of the other shall have actively

9--

precedent to such right of forfeiture.

Applying that principle to the present matter, in the absence of any agreement by the Grantee to accept less than an adequate supply, or a declaration or statement binding upon the Grantee as to the quantity of power which should be accepted as sufficient for the operation of the mills (of which agreement or statement I do not find evidence upon the files), my view would be that before the Crown will be in a position to exercise its power under the agreement to declare the right of the Grantee to be forfeited, there must be available to the Grantees an adequate supply of electrical power sufficient to operate the mills provided for in the 1917 agreement, which mills, under the agreement, are to be operated so that the daily output thereof shall not be less than 300 tons of pulp and a capacity of 200 tons of paper per day, to which is to be added probably a sawmill for the manufacture of the Pine Timber.

From statements in reply to inquiries made by me, it would appear that the quantity of electrical power required to constitute an adequate supply sufficient for the operation of the mills provided for in the 1917 agreement up to their full capacity would be more than 10,000 h.p. the highest estimate being over 25,000 h.p.

In this connection it may be pointed out that the draft agreement prepared on behalf of the Hydro Electric Power Commission at the time (in 1920) negotiations for the supply of power by the Hydro-Electric were in progress, mentions not less than 13,500 h.p., and additional h.p. as required by the customer.

agreements to such rights or interests.

Applying that principle to the present matter, in the

absence of any agreement by the parties to accept less than an

absolute supply, or a restriction on the amount of power

the parties as to the quantity of power which should be supplied

as sufficient for the operation of the mill (or which agreement

or agreement I do not find evidence upon the facts, my view

would be that before the Court will be in a position to know

also the power under the agreement to exercise the right of the

parties to be limited, there must be available to the parties

an adequate supply of electrical power sufficient to operate the

mill provided for in the 1917 agreement, which mill, under

the agreement, was to be operated as from the daily output of

or shall not be less than 200 tons of pulp and a capacity of

200 tons of paper per day, to which is to be added probably

a small lot for the manufacture of the fine timber.

From statements in reply to inquiries made by me,

it would appear that the quantity of electrical power required

to constitute an adequate supply sufficient for the operation

of the mill provided for in the 1917 agreement up to their

full capacity would be more than 10,000 h.p. the highest esti-

mated being over 25,000 h.p.

In this connection it may be pointed out that the

first agreement entered on behalf of the Hydro-Electric Power

Commission at the time (in 1920) negotiations for the supply of

power by the Hydro-Electric were in progress, mentions not less

than 15,000 h.p., and additional h.p. as required by the

137

Since the quantity now available (per the Hydro Electric Power Commission) is 10,000 h.p. only, it would appear that under the agreement dated the 9th May, 1917, as amended by the agreement dated 8th May, 1918, the Great Lakes Pulp & Paper Company is not in default and the Government is not as yet, in a position to revoke the Grantee's rights to cut pulpwood or Pine timber.

Sgd F.E. Titus

Solicitor for the Department of Lands & Forests.

Dec. 1 1921,

F.E.T./BC

Since the quantity now available (per the Hydro Electric Power Commission) is 10,000 h.p. only, it would appear that under the agreement dated the 11th May, 1914, as amended by the agreement dated the 11th May, 1915, the Great Lakes Ship & Repair Company is not in default and the Government is not in default, in a position to exercise the special rights to cut through or remove timber.

Very truly yours,
Wm. A. W. Wilson

Solicitor for the Government of Canada & Ontario.

Doc. 1 1921.

W.A.W./20

C O P Y.

December 3rd, 1919.

Honourable H. C. Nixon,
Provincial Secretary,
Parliament Buildings,
TORONTO, ONT.

Dear Sir:-

Yours of December 1st to hand, enclosing a copy of a resolution passed by the Municipality of Fort William, under date of November 25th.

The Mayor of Ft. William, - Mr. Murphy - Mr. Moore City Solicitor, Ft. William, and Hon. Mr. Mills, Minister of Mines, saw the Commission's Chief Engineer on the 24th of November, respecting the rates to be charged. Pursuant to the interview had with these gentlemen, they were advised that the price of power to the Great Lakes Paper Company would be the same if supplied at either of the locations suggested.

The price having been practically disposed of, the Commission have no jurisdiction respecting the location of the work, that being a matter resting with the Contractors.

Yours very truly,

CHAIRMAN

(Hydro File EM 1401)

A. H. H. X.

December 2nd, 1912.

Honorable M. C. Nixon,
Provincial Secretary,
Parliament Buildings,
TORONTO, ONT.

Dear Sir:-

Yours of December 1st is to hand, enclosing
a copy of a resolution passed by the Municipality
of Port William, under date of November 28th.
The Mayor of Port William, Mr. William Murphy + Mr.
Robert Gifford Bellinger, Mr. William, and Hon. Mr. Willie
Minister of Mines, now the Commission's Chief Engineer
on the 28th of November, requesting the rates to be
charged. Pursuant to the interview had with these
gentlemen, they were advised that the price of power to
the Great Lakes Paper Company would be the same as
applied at either of the locations suggested.
The price having been practically disposed of,
the Commission have no objection respecting the
location of the work, that being a matter resting with
the Government.

Yours very truly,

CHAIRMAN

(Typed file in 1401)

COPIES

(From Hydro File HM 1401-3)

Dec. 15, 1919

MEMORANDUM

On this date, Dec. 15th, 1919, Mr. Alsted, his Electrical Engineer, Chief Operator and Solicitor called here and we spent practically the whole day in the Board Room with Mr. Gaby, one of the Operating Staff and myself, and went over the attached agreement, a copy of which had been in Mr. Alsted's hands for some time, clause by clause and such changes agreed upon as were mutual to all parties.

During this conference a stenographer was called in and Mr. Alsted dictated the changes we wished made to the particular clauses of the contract in his hands and attached is a copy of that dictation. There was no other objection raised by him to the agreement except as to the question of surety bond. He wanted this modified or some security taken other than a bond. This was to be 110,000 volt power, delivered to what is known as Bare Point, on the outskirts of Port Arthur and the location of the mill was shown on a plan produced at this time and was to be within 1,000 feet of the then existing pole line of the Commission which was the line from Nipigon to Port Arthur.

(signed) W. W. Pope

SECRET

(From Hydro File 88-1001-3)

Dec 18, 1939

MEMORANDUM

On this date, Dec. 18, 1939, Mr. Alsted, his Electrical Engineer, Chief Operator and Assistant called here and we spent practically the whole day in the Board Room with Mr. Bailey, one of the Operating Staff and myself, and went over the attached agreement, a copy of which had been in Mr. Alsted's hands for some time, signed by Alsted and seen changed upon as was noted in all parties.

During this conference a stenographer was called in and Mr. Alsted dictated the changes we wished made to the particular clauses of the contract in his hands and attached in a copy of that document. There was no other objection raised by him to the agreement except as to the question of security bonds. He wanted this stipulated on bond security, somewhat than a bond. This was to be 10,000 dollars delivered to what is known as the State, on the security of four letters and the location of the mill was shown on a plan prepared at this time and was to be within 1,000 feet of the then existing pole line of the Government which was the line from Highway to Fort Laramie.

Agreement as dictated by Mr. Alsted and myself.

The above (signed) W. D. Hyde, Chief Engineer

The document was then presented to the Board.

It was then decided that the document be signed by the Board.

Very respectfully,

W. D. Hyde

W. D. Hyde

W. D. Hyde

C O P Y

(From Hydro File HM 1401-2)

December 5th, 1919

Memorandum for changes in Hydro Commission contract
with Great Lakes Paper Company, Ltd.

Paragraph 1: Strike out words "not less than fourteen
to sixteen thousand horsepower or more than" and insert
"THIRTEEN THOUSAND, FIVE HUNDRED."

Change date when service is to begin from
June 1st, 1921 to FEBRUARY 1ST, 1921

Paragraph (b): Insert the following words so that the line
will read - "TO HOLD IN RESERVE FOR AND DELIVER TO THE
CUSTOMER SUCH."

Paragraph (d): to read as follows:-

"TO DELIVER COMMERCIALY CONTINUOUS TWENTY-FOUR
HOUR POWER EVERY DAY IN THE YEAR EXCEPT AS PROVIDED
HEREIN, AT THE ENTRANCE STRUCTURE OF THE CUSTOMERS'
SUBSTATION. THE CONSUMER AGREES TO PAY THE COST OF
ENTRANCE STRUCTURE AND FOR THE ERECTION OF BRANCH TRANS-
MISSION LINE IN EXCESS OF 1,000 FEET IN LENGTH,
MEASURED FROM THAT POLE OF THE PRESENT TRANSMISSION LINE
NEAREST THE CONSUMERS' SUBSTATION."

Dictated by Mr. Alsted.

SECRET

(From Hydro file 100-1-2)

December 22, 1919

Recommendation for changes in Hydro Commission contract
with Great Lakes Paper Company, Inc.

Paragraph 1: Strike out words "not less than fourpence
to fifteen thousand horsepower or more than" and insert
"THIRTEEN THOUSAND, FIVE HUNDRED."

Change date when service is to begin from

June 1st, 1921 to NOVEMBER 1ST, 1921

Paragraph 11: Insert the following words at the line
will read - "TO HOLD IN ALTERNATE FOR AND BELONG TO THE
CUSTOMER SUCH."

Paragraph 12: to read as follows:-

"TO BELIEVE OTHERWISELY CONTRACTS TWENTY-FOUR

HAVE BEEN MADE BY IN THE YEAR 1921 AS PROVIDED
HEREIN, AS THE EXHAUSTIVE REVIEW OF THE CONTRACTS;
SUBSTANTIAL. THE CONTRACTS AGREE TO PAY THE COST OF
EXHAUSTIVE REVIEW AND FOR THE REVIEW OF EXHAUSTIVE REVIEW
MISSION LINE IN TERMS OF 1,000 TONS IN MONTH.
REARDED FROM THAT POINT OF THE EXHAUSTIVE REVIEW LINE
HEREBY THE CONTRACTS' SUBSTANTIAL."

MARGONILGRAM

111 words Message No. 54

Toronto, March 3, 1920

Sir Adam Beck,
care Hochelaga, London.

GREAT LAKES PULP AND PAPER COMPANY ASK MODIFICATION
OF PORT ARTHUR CONTRACT OTHERWISE WILL ABANDON CONTRACT.
COMPANY ASKS THAT STRIKE CLAUSE BE ELIMINATED OR MADE
MUTUAL. HOW WOULD YOU VIEW AN ARRANGEMENT WHEREBY
COMPANY MADE CONTRACT WITH HYDRO FOR APPROXIMATELY
SEVEN THOUSAND FIVE HUNDRED HORSEPOWER PRESENT PRICE
DELIVERY, ETC. REDUCING AMOUNT OF SECURITY PROPORTIONATELY
AND COMPANY ACCEPTING STRIKE CLAUSE AND BEING ALLOWED TO
GET ADDITIONAL POWER FROM OTHER SOURCES IF SAME CAN BE
OBTAINED. WHAT COURSE DO YOU RECOMMEND. IMPORTANT
AS UNDUE DELAY APPEARS TO BE JEOPARDIZING WHOLE PROJECT.
PLEASE CABLE REPLY AND FOLLOW BY LETTER ON WHOLE SITUATION

URUEY

C O P Y

FROM H.E.P.C FILE ON GREAT LAKES PAPER CO., EM 1401-2)
"Memorandum to Commission"

Office of
The Prime Minister & President of the Council
Ontario

Toronto, March 26, 1920

Sir Adam Beck, Chairman,
Hydro-Electric Power Commission,
Toronto, Ont.

My dear Sir Adam:

I enclose you herewith a copy of a letter I am today writing to Mr. Hellmuth, Counsel for the Great Lakes Paper Company, and the Mayors of Port Arthur and Fort William.

I need not tell you how anxious the Government is to expedite in every possible way the settlement of the matters in controversy and the location of the Company's works at a place that will be mutually satisfactory and agreeable to all parties concerned. At the same time we feel that as the situation most largely concerns the Hydro-Electric Power Commission and the municipalities of Port Arthur and Fort William, we should not take any steps other than those suggested or approved by the Hydro-Electric Power Commission.

As you are aware, the Company is pressing us to approve of the Mission Site at Ft. William, but we are not willing to do this or to take any action in the matter now in dispute between the Hydro-Electric Power Commission, the municipalities and the Great Lakes Pulp & Paper Company.

I desire to point out to you, at the same time, the great urgency of a solution of the whole situation and the necessity, in the public interest, of your using every means in your power to bring about an arrangement that will secure the development of the pulp limits involved, and, at the same time, safeguard the Hydro-Electric Power Commission, the municipalities and the Province.

I have the honour to remain

Yours sincerely,

(signed) E. C. Drury

C O P Y

FROM H.E.P. TO GREAT LAKES POWER CO., (H.E.P.-2)
"Memorandum to Commission"

Office of
The Prime Minister & President of the Council
Ontario

Toronto, March 26, 1930

Sir Adam Beck, Chairman,
Hydro-Electric Power Commission,
Toronto, Ont.

My dear Sir Adam:

I enclose you herewith a copy of a letter I am today
writing to Mr. Hollinger, Counsel for the Great Lakes Paper
Company, and the Mayors of Port Arthur and Port William.

I need not tell you how anxious the Government is to
expedite in every possible way the settlement of the matters
in controversy and the location of the Company's works at a
place that will be mutually satisfactory and agreeable to all
parties concerned. At the same time we feel that as the
situation most largely concerns the Hydro-Electric Power Com-
mission and the municipalities of Port Arthur and Port William
we should not take any steps other than those suggested or
approved by the Hydro-Electric Power Commission.

As you are aware, the Company is pressing us to approve
of the Mission Site at Pt. William, but we are not willing
to do this or to take any action in the matter now in dispute
between the Hydro-Electric Power Commission, the municipalities
and the Great Lakes Paper & Paper Company.

I desire to point out to you, at the same time,
the great urgency of a solution of the whole situation and the
necessity, in the public interest, of your using every means
in your power to bring about a re-examination that will secure
the development of the pulp limits involved, and, at the
same time, safeguard the Hydro-Electric Power Commission, the
municipalities and the Province.

I have the honor to remain

Yours sincerely,

(signed) E. G. Dwyer

C O P Y

Toronto, April 28th, 1920

Hon. E. C. Drury,
Premier,
Parliament Building,
TORONTO, Ontario.

Dear Sir:-

The Great Lakes Paper Company, Ltd. a corporation organized under the Ontario Companies Act, is the licensee of the Black Sturgeon & Pic River Timber and Pulpwood Limits. It bought these limits from John J. Carrick for the sum of \$500,000. acquiring full ownership by several successive purchases of undivided interest in such limits. The Government was advised in advance of these purchases and they were made with the full knowledge and express consent of the Government. The first purchase from Carrick was of an undivided 51% interest, and this purchase was made in June 1918 and subsequent to the so-called amending contract between Carrick and the Government extending the time of paper mill construction.

Following the termination of the war and as soon as business conditions had become somewhat settled, that is, early in June 1919, we called on the Hydro-Electric Commission to ascertain at what price the Commission would supply power to the Paper Company for use of its mills. We approached the Hydro Commission in advance of negotiating with any privately owned power company, because we understood that the Hydro Commission was furnishing power at cost elsewhere in Ontario and we therefore assumed that we would be able to get power from it at a lower price, and upon as favorable terms as, we could hope to obtain from a Corporation operating for profit. While we found the Hydro Commission willing to sell power to the Paper Company the price asked by the Hydro Commission was \$21. per h.p. for power delivered at the Paper Company's transformer station at 110,000 volts. The price was prohibitive, as it would not permit us to successfully compete with other Canadian paper mills. So much power is used in the manufacture of paper that the cost of power largely controls the cost at which paper can be made, and if we had made a contract for power to cost \$21. per h.p. our cost for power in the manufacture of paper would be substantially twice as much as the cost of power to the large and successful Canadian mills with which we will have to compete. The Chairman of the Hydro Commission was informed of this fact, and he stated that the price could not be lowered, that it was his best price, that it was at cost and that if we could not use the power at that price we would necessarily have to secure our power elsewhere.

133

133

133

133

133

133

133

-2-

Hon. S. C. Brury

April 13th, 1920.

We reported to the Honorable S. Howard Ferguson, then Minister of Lands, Forests and Mines, that the price asked by the Hydro-Electric Commission for power could not be accepted by the Paper Company, and with the knowledge of the Minister, we sought the Kaministiquia Power Company and obtained from that Company an offer for power at a price and upon terms which were acceptable to us and which would permit us to compete successfully with other Canadian paper mills.

Before we could execute a contract for power with the Kaministiquia Power Company the Honorable Mr. Ferguson requested us to make further efforts to secure from the Hydro-Electric Commission a contract for power which the Paper Company could accept, and the reason then stated for asking us to make such effort was the fact that the two cities of Port Arthur and Fort William were responsible for the cost of the Hydro-Electric Commission's development at Cameron Falls and that use of such power by us would be of great advantage to the Twin Cities.

We thereupon renewed our efforts to secure an acceptable contract from the Hydro-Electric Commission and during the last week of November, 1919, the Hydro Commission made a price to us of \$17.50 per h.p. delivered at the Company's transformer station at 110,000 volts if the mill was located east of Port Arthur, but following a meeting of representatives of the Hydro Commission with officials and other representatives of the Cities of Fort William and Port Arthur early in December, the Hydro Commission changed its offer so as to make the price \$17.50 per h.p. at 110,000 volts delivered at the Company's transformer station "located in or near Port Arthur or Port William, Ontario". The price for power was acceptable but certain terms of the contract under which this price was submitted were not acceptable to us, and we so stated in our letter under date of December 6th, 1919, to Sir Adam Beck copy of which letter was forwarded to you in letter from the Company under date of December 6, 1919. These objections were more fully stated to the Commission on December 9th, when a meeting was held by the Commission with the representatives of Port William and Port Arthur and immediately following that meeting our objections to the contract were stated to you and the Attorney General. The objections have been repeatedly stated at later meetings and in various written communications of the Company to representatives of the Government.

The Chairman of the Commission refused to modify the terms of the proposed contract to meet our objections. We then asked the Government to arrange for a time at which we could be heard in the matter, and the Government arranged for a meeting early in January. At this meeting, because of our anxiety to contract for the construction and equipment of our paper plant and in order that we might so far as possible assist Port Arthur and Fort William to make the future of their Hydro electric development a successful one, we proposed to the Government that the Company would seek power from the Kaministiquia Power Company and use such power in the operation of its pulp and

-3-

Hon. E. C. Dwyer

April 28th, 1920

paper mills and that we would also erect an additional wood-grinding mill and use in that mill 3,000 to 6,000 h.p. of electric current which we would purchase from the Hydro-Electric Commission under the contract which the Commission had then offered. In explanation of this proposal, it should be stated that there was then and now is no connection between the Kamistiquia Power Company and our Company; the only reason that we desired to secure power from the Kamistiquia Company was because such power could be obtained at a satisfactory price under contract which was mutual and gave us the right to enforce our contract in the Canadian Courts.

We did not feel justified in investing over \$4,000,000. in a paper mill unless the power used therein was supplied under a contract which was mutual and could be enforced by either party in the Canadian Courts, but we were willing to put \$600,000. into an additional wood-grinding plant using Hydro power if we could operate our paper mill under a firm power contract. Newspaper publishers could not be expected to rely for their supply of news-print paper upon a paper mill whose power supply was not assured by a contract which was enforceable in the Courts, and which provided no penalty for its breach. A newspaper publisher must be guaranteed a continuous supply of news-print paper -- the very life of his newspaper depends upon such continuous supply. He contracts long in advance for his news-print paper and with the present shortage in the paper market he must make doubly sure that the contracted paper will be delivered at the times and in the quantities agreed upon, for he cannot rely upon obtaining his immediate needs in the open market if his mill fails to carry out its contract. The fact that the Company offered to increase its investment by approximately \$600,000. with a view of taking a substantial amount of Hydro power shows how far we have been willing to go in our desire to meet the exigencies of the case as explained to us by the Government representatives.

We made this office while we were having daily conferences for a week with the Government and the Hydro-Electric Commission, but the suggestion was not entertained by the Government and the Hydro refused to make any change in the contract which it had formally offered. We thereupon wrote Hon. Beniah Bowman, Minister of Lands and Forest, on January 12, 1920, stating our position to which letter Hon. W. E. Dwyer, Attorney-General, replied under date of January 29th, 1920. Subsequently, the Government arranged for a meeting with us on February 12th, and at this meeting there were present, among others, representing the Government, yourself, Hon. W. E. Dwyer, and Hon. Beniah Bowman. We were then informed that the Government desired to find some practical solution which might be mutually satisfactory, and on account of our great desire to make progress, we then agreed to accept a contract from the Hydro Electric Commission or from the Government at a price and on terms which were then stated and which were approved by the representatives of the Government present at the meeting providing the contract could be immediately obtained.

-4-

Hon. E. C. Drury

April 28th, 1920.

The Government took no action, but asked for 48 hours further time to decide if the contract then under consideration would be made by the Government or the Hydro, and we agreed to accept such contract if the Government would make it in its own name within the time mentioned. We were willing to give the Government ample time for reaching a decision, but owing to the existing circumstances we were forced to have an ~~early~~ early reply in order that we might take advantage of conditions which were then available for us and would have been to our profit if a power contract had been obtained and the Company enabled to contract for construction and equipment. The Government failed to reach a decision and concluded to postpone any further action for two weeks, with the result that we were obliged to withdraw our offer to accept a power contract on the terms which had been discussed and agreed upon.

Upon the expiration of the two weeks, we arranged for a meeting with the Government and then returned to Toronto. In view of the fact that the Government had failed to secure from the Hydro Commission any modification in the power contract offered and that the Government was itself unwilling to make a power contract with the Company for the supplying of power to be obtained by the Government from the Hydro-Electric Commission, we asked that the Government either guarantee us against loss as a result of the continued delay or else promptly approve of the building site which had been selected by our Company at the Mission near Fort William and approve of our making whatever arrangements we could with other than the Hydro-Electric Commission for a supply of power.

At the request of the Government, we remained in Toronto for approximately 12 days during which time there were frequent meetings between representatives of the Government, the Hydro-Electric Commission and ourselves, but no progress was made since the Government refused to approve of the mill location and was unable to secure any modification of the Hydro-Electric contract after communicating with the Chairman of the Hydro-Electric Commission, then in England.

On March 18th, the Government advised us that further consideration of the power question must be delayed until after the return of the Chairman of the Commission; that the question would be finally disposed of immediately after the arrival of such Chairman and that until the power question was disposed of, the Government would not approve the building site selected by our Company.

At the request of the Government, we returned to Toronto on March 18th, and the several meetings held between representatives of the Government, the Hydro-Electric Commission and ourselves resulted in the Hydro-Electric Commission changing the contract for power which it had formerly offered so that the price of power delivered near Fort Arthur was raised from \$17.50 to \$18.50 per h.p. and the price of power delivered near Fort William was raised from \$17.50 to \$20. or \$20.50 as the Commission might subsequently determine.

April 20, 1910

Mem. to C. Barry

The Government took no action, but asked for 50
thousand dollars to be added to the contract then under consideration
which would be made by the Government at the time, and we agreed to supply
such amount if the Government would make it in its own name within
the time mentioned. We were willing to give the Government such
amount for making a donation, but owing to the existing circumstances
we were forced to have an inquiry made in order that we might
have advantage of conditions which were then available for an end
which have been for the public it is a great concern and have obtained
and the inquiry enabled to ascertain the circumstances and acquirement.
The Government failed to reach a decision and succeeded in purchasing
any further action for two weeks, and the result that we were obliged
to withdraw and after we passed a great number of the same which
had been discussed and agreed upon.

Then the situation of the two weeks, we managed to
a meeting with the Government and then returned to London. In view
of the fact that the Government had failed to reach the Hyatt
Commission and modification in the power contract offered and that
the Government was finally unwilling to make a power contract with
the Company for the supply of power to be obtained by the Government
from the Hyatt-Commission, it seemed that the Government
might purchase an amount less as a result of the contract being
or else strongly approve of the building with which has been reached
by our Company at the Hyatt Commission for a million and a half of our
making whatever arrangements we could with other than the Hyatt-
Commission for the supply of power.

At the request of the Government, we remained in
London for approximately 15 days during which time there were frequent
meetings between representatives of the Government, the Hyatt-Commission,
Hyatt and ourselves, but no progress was made since the Government
refused to approve of the full contract and was unable to secure any
modification of the Hyatt-Commission contract other than a verbal one
the Chairman of the Hyatt-Commission, then in London.

In March 1910, the Government asked us what further
modification of the power question they could delay until after the
return of the Chairman of the Commission; that the question would be
finally disposed of immediately after the arrival of each Chairman
and that until the power question was disposed of, the Government would
not approve the building to be released by our Company.

At the request of the Government, we returned to London
on March 19th, and the meeting mentioned held between representatives
of the Government, the Hyatt-Commission, Hyatt and ourselves resulted
in the Hyatt-Commission agreeing the contract for power which
it had previously offered so that the price of power delivered was 10 p.
per unit raised from 10 p. to 11 p. and the price of power
delivered was 10 p. raised from 10 p. to 11 p. and the price of power

-5-

Hon. H. C. Drury

April 26th, 1920.

We formally notified the Government that the contract for power as offered by the Hydro Commission was not acceptable, either as to price or as to some of the terms; and thereafter Mr. I. F. Hellmuth, counsel of the Great Lakes Paper Company, Ltd. made request for a fiat in several letters addressed to you and the Attorney General so that whatever rights we might possess might be determined by the courts. The Hon. W. S. Massey has addressed a letter to Mr. I. F. Hellmuth under date of April 23rd which reaffirms his letter of January 27th, and among other things, states the Government "does not see its way to allowing the question to become involved in a litigation that might be prolonged through months and possibly years" further "we are being urged strenuously to cancel the concessions for failure on the part of your clients (The Great Lakes Paper Company Ltd.) to live up to the terms of the agreement with the Government, and I can only add to what I said in my former letter that unless development work is commenced without much further delay the Government will in all likelihood feel compelled to take action".

We have much confidence in the Government of Ontario and we have thought there was no likelihood of the Ontario Government being unfair and taking any action for the confiscation of our property rights in this Province. We had that confidence in the Government even before we received from you the several assurances that the Government would give us fair treatment and would not resort to any confiscatory legislation.

During the many months that we have sought to obtain an acceptable contract for power from the Hydro Electric Commission we have felt assured that if it was impossible to use Hydro-Electric power that we would not be interfered with by the Government in exercising our legal right to procure power elsewhere, and it was not until the good faith of the Company was questioned in the Provincial House and in the local press that we felt it was necessary to ask for a determination by the Courts of our position under the contract which we now hold with the Ontario Government.

We wish to point out that it is almost one year since our Company first called on the Hydro-Electric Commission for a price for power, and it is apparent that no contract can be made with the Hydro-Electric Commission. We have at all times been willing to submit our full case to the Council, but if the Council does not wish to hear us or is unwilling to make decision in the matter, we respectfully submit that little delay will follow if the suggestion made by Mr. I. F. Hellmuth in a recent letter to you is accepted, namely that an agreed statement of facts be prepared by the Government and ourselves and that such statement be submitted to your Courts for decision. The fact that such agreed statement of facts had been submitted to your

1941-1942, 1943

to formally realize the Government's plan for
control for power as shown by the Government's plan for
control, either as to power or as to money and
control. Mr. L. B. Nichols, Chairman of the Senate Finance
Committee, made a speech for a time in which he
to you and the Attorney General as to what rights we might
possess might be determined by the courts. The Hon. J. C. Brown
has addressed a letter to Mr. L. B. Nichols asking him to
which contains his letter to Mr. L. B. Nichols and some other things.
to the Government. There are two ways to solving the question
to be solved in a litigation that might be prolonged through
months and possibly years. The Hon. J. C. Brown
to cancel the compensation for salaries as the part of your clients
(The Government's lawyer company, L. B. Nichols) to live up to the terms of the
agreement with the Government, and I can only add to what I said in
my former letter that unless development work is commenced at once
with further delay the Government will in all likelihood feel compelled
to take action.

to have been considered in the Government's plan for
and to have been considered in the Government's plan for
control, either as to power or as to money and
control. Mr. L. B. Nichols, Chairman of the Senate Finance
Committee, made a speech for a time in which he
to you and the Attorney General as to what rights we might
possess might be determined by the courts. The Hon. J. C. Brown
has addressed a letter to Mr. L. B. Nichols asking him to
which contains his letter to Mr. L. B. Nichols and some other things.
to the Government. There are two ways to solving the question
to be solved in a litigation that might be prolonged through
months and possibly years. The Hon. J. C. Brown
to cancel the compensation for salaries as the part of your clients
(The Government's lawyer company, L. B. Nichols) to live up to the terms of the
agreement with the Government, and I can only add to what I said in
my former letter that unless development work is commenced at once
with further delay the Government will in all likelihood feel compelled
to take action.

to have been considered in the Government's plan for
and to have been considered in the Government's plan for
control, either as to power or as to money and
control. Mr. L. B. Nichols, Chairman of the Senate Finance
Committee, made a speech for a time in which he
to you and the Attorney General as to what rights we might
possess might be determined by the courts. The Hon. J. C. Brown
has addressed a letter to Mr. L. B. Nichols asking him to
which contains his letter to Mr. L. B. Nichols and some other things.
to the Government. There are two ways to solving the question
to be solved in a litigation that might be prolonged through
months and possibly years. The Hon. J. C. Brown
to cancel the compensation for salaries as the part of your clients
(The Government's lawyer company, L. B. Nichols) to live up to the terms of the
agreement with the Government, and I can only add to what I said in
my former letter that unless development work is commenced at once
with further delay the Government will in all likelihood feel compelled
to take action.

to have been considered in the Government's plan for
and to have been considered in the Government's plan for
control, either as to power or as to money and
control. Mr. L. B. Nichols, Chairman of the Senate Finance
Committee, made a speech for a time in which he
to you and the Attorney General as to what rights we might
possess might be determined by the courts. The Hon. J. C. Brown
has addressed a letter to Mr. L. B. Nichols asking him to
which contains his letter to Mr. L. B. Nichols and some other things.
to the Government. There are two ways to solving the question
to be solved in a litigation that might be prolonged through
months and possibly years. The Hon. J. C. Brown
to cancel the compensation for salaries as the part of your clients
(The Government's lawyer company, L. B. Nichols) to live up to the terms of the
agreement with the Government, and I can only add to what I said in
my former letter that unless development work is commenced at once
with further delay the Government will in all likelihood feel compelled
to take action.

-6-

Hon. E. C. Drury

April 28th, 1920.

local Courts would not in any way interfere with the continuance of negotiations between the parties interested. And even if your Courts should decide that the Great Lakes Paper Company, Ltd. is under no legal obligation to take Hydro-Electric power we would still give a preference to the Hydro-Electric Commission over any private power Company when we were contracting for power.

Hon. Mr. Raney's letter of January 27th, which he reaffirms in his recent letter to Mr. Hollmuth states that our Company may take its choice between the form of power contract submitted by the Hydro-Electric Commission or else take Hydro power when available and pay for it at cost price; that any further delay on the part of the Company in commencing operations will justify the Government in assuming that the Company does not intend to live up to its agreement and in acting on that assumption.

Our answer thereto is as follows:-

- (a) The contract offered by the Hydro Commission can not be accepted by the Paper Company, first, because it will not permit it to successfully compete with other Canadian paper mills on account of the price asked for the power. In addition thereto, the Paper Company, in order to successfully contract for its product with newspaper publishers must be able to assure such publishers a continuous supply of news print paper, and we seriously doubt whether a newspaper publisher would consider that he was safe in relying for his newsprint paper supply upon a paper mill which was operating with electric power furnished under a contract which was not enforceable in the Courts and which provided no penalty for its breach.
- (b) The alternative suggested in Mr. Raney's letter - that the Paper Company take power from the Hydro at cost without a formal contract - is equally objectionable in that the Paper Company does not know what such cost will be, and it must know such cost in advance in order to determine whether the cost of such power will permit it to be used in making paper at all and in order to enable it to contract for its product. If a farm were offered for sale at \$100.00 an acre, plus the cost of clearing the land, grading, building a road, etc. no reasonable man would think of buying the farm and putting up a house and farm buildings and purchasing farm machinery before he ascertained what the clearing, grading, etc. would cost, and that such cost would not make the price of the farm prohibitive.

As stated, we do not know what the "cost" of power will be. The Hydro Commission has stated that the price at which it has offered us power under a formal contract is at actual cost. Therefore power at cost without a formal contract would cost the Paper Company at least \$20.50 per h.p. and it might be more than that; and that price is prohibitive.

If we were obligated to proceed with the erection of our mill without further delay, as suggested by Mr. Raney, where shall such mill be located? We have submitted a site to the Government for its approval; the Government has thus far declined, and still declines to either approve or disapprove of that site. The only site on which we

-7-

Hon. E. C. Drury

April 28th. 1920.

are permitted to locate our paper and pulp mill without Government approval, under the terms of the contracts covering these timber concessions, is on the limits themselves. Is the Government now actually insisting that we locate our mills in the woods, far from transportation facilities and inaccessible to the Hydro-Electric Commission for supplying power, and does it now object to the Mission site as a location for such mills?

We will appreciate a definite statement from the Government as to just what the Government does want the Paper Company to do in respect to locating and building its mills.

We wish again to call to your attention the serious damage sustained by our Company resulting from delay in settlement of the power question.

You will recall that early last December we advised you that we were then in position to secure equipment for our mills under definite prices and definite times of delivery and that unless the power question was promptly disposed of we would be unable to contract for equipment and would lose the benefit of the purchase arrangements which had been made. The cost of building material and equipment has been rapidly advancing ever since last December, and we now estimate that the construction of our mills will cost approximately \$500,000. more than if contracts for construction and equipment had been made last December.

In addition we wish to again state that we had an option with the Kaministiquia Power Company for electric power which option has now expired, and we have been unable to renew that option and believe that we now could not secure power from the Kaministiquia Power Company at the same favorable price, mentioned in the option. Further delay may result in conditions arising throughout the business world which may temporarily prevent our Company from contracting for construction and equipment of the mills.

We do not now definitely know when we will be able to secure the equipment for our mill, and we cannot agree to accept and pay for power before we can obtain the equipment for using the power. As soon as the power question is settled, we will, of course, use all possible diligence to get our paper and pulp mills erected and equipped at the very earliest possible time, and we are ready now to contract for power (at \$17.50 per h.p. and upon acceptable terms) delivery of power to commence at the earliest time that we can secure equipment for using such power.

As stated above, we have heretofore requested the Ontario Government to hold us harmless from all loss which may arise as a result of delay in settlement of the power question. We ask for early determination of our position under the contracts with the Government covering the timber limits, and if the Government for any reason does not desire to fully hear us, we request that fiat be granted in order that your Courts may determine the rights of our Company.

-3-

We assure you that we regret the delay and now stand ready, as heretofore, to co-operate with the Government in every way to secure an early and mutually satisfactory disposal of this question.

Yours respectfully,

GREAT LAKES PAPER COMPANY, LTD.

By Lewis L. Olsted

President.

P.S. In view of the fact that the Hon. W. E. Rancey has been interested in some of the correspondence between our Company and the Government we have thought it well to send him a copy of this letter and we have also sent a copy of this letter to the Hon. Mr. Bowman, Minister of Lands and Forests.

It appears from the report that the delay and now seems
 to be inevitable, in connection with the Government in every way
 to assist in delay and especially in connection with the Government.

Yours respectfully,

WILLIAM L. BROWN, JR.

By Louis A. Wiser

President.

In view of the fact that the Hon. W. L. Brown has been interested
 in some of the correspondence between our company and the Government
 we have thought it well to send him a copy of this letter and we
 have also sent a copy of this letter to the Hon. W. L. Brown.
 Minister of the Interior and Secretary.

G O P K.

Toronto, May 12th, 1920.

M. C. Campbell,
Chairman, Public Utilities Commission,
PORT ARTHUR, ONT.

Commission intended constructing temporary station to supply Port Arthur with twenty-two thousand volt power. Stop. Until nineteen twenty-six the cost of line from Bear Point to Mission Five hundred and fifty thousand dollars, cost of line from Mission to Port Arthur permanent sub-station about two hundred and fifty to three hundred thousand dollars.

ADAM BECK.

CHARGE.
H.E.P.C.
'Phoned.
L.S.

ALL

Toronto, May 12th, 1930.

M. G. Campbell,
Chairman, Public Utilities Commission,
Toronto, Ont.

Commissioner intended constructing temporary station
to supply Port Arthur with twenty-two thousand volt
power. Until nineteen twenty-six the cost
of line from Port Arthur to Kincardine five hundred and
fifty thousand dollars, cost of line from Kincardine to
Port Arthur permanent sub-station about two hundred
and fifty to three hundred thousand dollars.

Yours truly,
ALAN BARK.

CHAS. B. BARK.
M. G. C.
Toronto.
P.S.

G O P K.

TORONTO, October 12th, 1920.

Dear Sir:-

Re Developing Ability of Nipigon River for
the Purposes of the Great Lakes Pulp
and Paper Company.

The situation with reference to the installation of equipment and commencement of operations on the Cameron Falls Development, Nipigon River, is as follows:-

The Commission is installing two machines which will be ready for operation by January, 1921, giving a capacity of from 18,000 to 20,000 H.P. on initial operation.

After meeting the power requirements of the municipalities and present customers of the Commission there will only be a surplus of from 2000 to 5000 H. P., which will be ready for delivery in January of 1921. Should the Company require power in excess of the above surplus, it will be necessary to install additional equipment, which will require from nine to ten months advance notice.

In order that the Commission may justify the installation of additional equipment it will be necessary to obtain a definite assurance, or contract for the taking of this additional power at some definite date.

TORONTO, October 12th, 1920.

Dear Sir:-

In developing ability of Niagara River for
the purposes of the Great Lakes Ship
and Boat Company.

The situation with reference to the installation
of equipment and commencement of operations on the lower
falls development, Niagara River, is as follows:-
The Commission is installing two machines which
will be ready for operation by January, 1921. Giving a
capacity of from 12,000 to 20,000 H.P. an initial output
After meeting the power requirements of the
municipalities and present customers of the Commission
there will only be a surplus of from 2000 to 3000 H. P.
which will be ready for delivery in January of 1921.
Should the Company require power in excess of the above
surplus, it will be necessary to install additional
equipment, which will require from nine to ten months
advance notice.
In order that the Commission may justify the
installation of additional equipment it will be necessary
to obtain a definite assurance, or contract for the
taking of this additional power at some definite date.

"Y"

September 24th, 1920

Honourable W. H. Raney, K.C.

Attorney-General of Ontario,

Parliament Buildings, Toronto.

Dear Sir:-

RE GREAT LAKES PULP COMPANY

After the receipt of your instructions to discontinue the action against the Great Lakes Pulp and Paper Company, Mr. Hellmuth called on the 20th inst., and intimated that he had heard a rumour that the action was not to be proceeded with. He said that he proposed to resist all determination of the action in any other way than by trial.

There are three courses open to the plaintiff first: to move for leave to discontinue under the rules, second to refuse definitely to proceed with the action but without discontinuing, third to let the action proceed, but to delay it as much as possible. With regard to the first two of these courses, the defendants may cause trouble. As to the first by asking for leave to discontinue the plaintiff will submit to the rule as to discontinuance under which terms may be imposed such as the issue of a fiat for an action by the defendants covering the same subject matter. As to the second course the defendants might pass the record and set down the action for trial when it would come on the peremptory list in the usual way. It would be necessary then to appear and say that the plaintiff did not desire to proceed.

-2-

There are English Authorities in certain special actions to the effect that the Attorney-General has this right; but it is not clear that these are applicable or would be followed here. If, however, the Judge decided to proceed with the hearing, the only course would be to withdraw and judgment would then be either entered on default dismissing the action or upon the evidence which the defendant would put in.

Neither of these two results is desirable, and either of these courses would give the defendants an opportunity of making a strong public protest in Court against the action of the Crown on the grounds that they were being unfairly treated.

As against these considerations, it does not seem to me necessary to take any definite steps to stop the litigation because if the Crown's course in this matter is to cancel for default in construction it would make very little difference whether the litigation about the obligation to take power were still pending, or, if judgment had been given, what what judgment was. The two questions have really no connection with each other.

From reliable information, which I have obtained I do not think the defendants have any intention of proceeding with the construction of a mill under the terms of the original concession. They have offered the limit for sale subject to all existing conditions and defaults, for the sum of \$1,000,000. or one-half interest for half that amount. Mr. Hollmuth's instructions on which his letter to me of the 23th instant was written are apparently not true in fact. Further than this Mr. Garrick communicated with my office on the 5th of August, last, and stated that he

There are British authorities in certain countries in the
 effect that the Attorney-General has this right but it is not
 clear that these are applicable or would be without error. It
 however, the judge should be provided with the necessary, the only
 reason would be to withdraw the judgment which was no longer
 stated as before. It is not the reason or that the decision
 which the defendant would not be.

Neither of these two results is desirable, and it is
 of course correct to say that the defendant has an opportunity of making
 a strong public protest in front of the public at the time of
 the hearing that they were being unfairly treated.

As against these considerations, it does not seem to

be necessary to take any further steps to stop the litigation

because if the Crown's course in this matter is to proceed for damages
 in compensation it would seem very likely that the defendant would be
 liable to pay the full amount of the damages. The only
 question now really is whether or not the defendant is to be
 liable to pay the full amount of the damages.

There is no doubt that the defendant is liable to pay the full amount of the damages.

It is not clear whether the defendant is liable to pay the full amount of the damages.

The defendant is liable to pay the full amount of the damages.

They have offered the sum of £10,000 for the full amount of the damages.

It is not clear whether the defendant is liable to pay the full amount of the damages.

It is not clear whether the defendant is liable to pay the full amount of the damages.

It is not clear whether the defendant is liable to pay the full amount of the damages.

It is not clear whether the defendant is liable to pay the full amount of the damages.

-5-

was negotiating the sale of these limits for \$1,000,000. and asked us for an assurance that the issue in the pending action only involved the use of Hydro power and not default under the agreement, that is, default in construction. He was informed that we had no instructions whatever with regard to any default under the agreement. Of course, Mr. Hellmuth will say that ^{they} ~~we~~ have no connection with Garrick in the matter. At the same time the sum mentioned as to the purchase price happens to be identical with that given my other informant.

It seems to me the course to be taken depends upon whether the Great Lakes Company are endeavouring to make a large profit out of the sale of this limit to users of pulp wood, or whether there is any real intention of carrying out the terms of the original concession. If they are merely selling, it would be a repetition of the objectionable practice whereby a concession is obtained from the Government and an enormous sum of money is demanded as the price of allowing the actual manufacturer to use the wood.

That the litigation is not being carried on with the intention of determining the question at issue and carrying out the terms of the concession appears to be the case for the following reasons:-

1. There is no power available for the operation of the mill except the Hydro-Electric power from Nipigon, the Kaministiquia power having been disposed of.

2. The contention of the Great Lakes Pulp Company is that they are not bound to construct or to commence construction until the power is made available. When the power is available they do not propose to take it. There is no reason why if other power is available either by development or purchase any extension of time for construction

was negotiating the sale of these assets for \$1,000,000. and asked us for an assurance that the issue in the pending action only involved the use of hydro power and not certain under the agreement. That is, definit in construction. He was informed that we had no instructions whatsoever with regard to any details under the agreement. Of course, Mr. Hollenbach will say that we have no connection with Carter in the matter at the same time the same mentioned as to the purchase price appears to be identical with that given by other informants.

It seems to me the answer to be taken from the fact whether the Great Lakes Company are endeavoring to make a large profit out of the sale of this kind of waste of pulp wood, or whether they are any real intention of carrying out the terms of the original agreement. If they are merely selling, it would be a violation of the objectionable practice whereby a concession is obtained from the Government and an enormous sum of money is demanded as the price of allowing the actual management to run the wood.

That the litigation is not being carried on with the intention of determining the question as to how and carrying out the terms of the concession appears to be the case for the following reasons:

1. There is no power available for the operation of the mill except the Hydro-Electric power from Niagara. The Kaministiquia power having been disposed of.
2. The operation of the Great Lakes Pulp Company is that they are not bound to construct or to enhance construction until the power is made available. When the power is available they do not propose to take it. There is no reason why it other power is available

-4-

would be required;

3. The fact that the prosecution of the litigation is insisted on under the circumstances shows that the intention of the Great Lakes Pulp Company is to keep the concession tied up with litigation until they can dispose of it;

4. The positive statement of Mr. Hellmuth (honestly made by him) when we have reliable information to the contrary shows that the Pulp Company are not dealing openly with the Crown;

Under these circumstances I think it would be as well for the present to simply delay the prosecution of the action until the course of the Government with regard to the default in construction is determined, and, if the Government decides to cancel for default in construction as soon as the Hydro power is available, to let the pending action go on, but as slowly as possible.

Yours truly,

GEO. H. KILMER (signed)

GHE/ST.

would be required;

4. The fact that the possession of the information is
included or under the circumstances shows that the information of the
great value to the company is to keep the possession of the up with 1951-
section until they can dispose of it;

5. The position statement of Mr. Williams (hereafter
made by him) when he gave reliable information to the company shows
that the Pulp Company was not dealing openly with the Government;

Under these circumstances I think it would be as well for
the present to simply delay the prosecution of the action until the
course of the Government with regard to the default in communication
is determined, and, if the Government decides to proceed for default in
communication as soon as the Hydro power is established, to let the
pending action go only for as simple as possible.

Yours truly,

CHAS. H. WILSON (Manager)

Enclosed.

COPY

OFFICE
THE PRIME MINISTER & PRESIDENT OF THE COUNCIL
ONTARIO.

Toronto, October 15th, 1917.

My dear Sir Adam:

Last year the Department of Lands, Forests and Mines advertised certain pulp concessions in Northern Ontario for sale subject to the usual conditions, including the right on the part of the successful tenderer to the lease of some suitable water powers for the purpose of generating the necessary energy to operate the plants stipulated for in the concessions. Mr. Carrick became the purchaser of these concessions under the terms and conditions of sale as advertised.

The only powers sufficient for the purpose mentioned that the Crown controlled, or that were available for these concessions, were on the Nipigon River. I was advised by you that in your opinion it would not be in the public interest, at the present time, to lease any of the powers on this River to private parties or corporations, and that it was important to cancel the lease that had been previously given of one of the powers on this River in order that there might be no obstacles in the way of carrying out any general scheme of development of the powers on this stream, that might hereafter be decided upon. Outside of these powers, however, the Government was unable to fulfil its obligations to Mr. Carrick and means had to be found of meeting the situation. With the knowledge and concurrence of the Hydro-Electric Commission I assured Mr. Carrick that he would be able to make arrangements through the Hydro-Electric Commission for the supply of the necessary electrical power to operate any plants that he might erect for the manufacture of the timber on the concession mentioned. The matter was taken up, as I am informed, direct by Mr. Carrick and his Counsel with yourself and the Engineers of the Commission, and a general understanding arrived at and estimates of power granted to Mr. Carrick.

On the assurance given Mr. Carrick by the Government and by the Commission, he went on and completed, as I am informed his organization for the construction of his pulp and paper plant and for the carrying on of a pulp and paper industry, and he is now most anxious to complete arrangements about the power so that he can proceed at once with his construction work.

1941

THE SECRETARY OF THE
COMMISSION

TO THE MEMBERS OF THE COMMISSION
AND TO THE PUBLIC
FOR THE YEAR 1941

THE COMMISSION HAS THE HONOUR TO
ACKNOWLEDGE THE RECEIPT OF YOUR
LETTER OF THE 10TH INSTANT

IN WHICH YOU REQUESTED THAT THE
COMMISSION SHOULD CONSIDER THE
MATTER OF THE PAYMENT OF
THE FINE OF £100 WHICH WAS
IMPOSED ON YOU BY THE
MAGISTRATE AT THE
COURT AT THE 10TH INSTANT

THE ONLY POWER OF THE COMMISSION
IS TO RECOMMEND THAT THE
FINE SHOULD BE REMITTED
OR THAT IT SHOULD BE
PAID IN INSTALMENTS
AND IT IS NOT THE COMMISSION'S
DUTY TO CONSIDER THE
MATTER OF THE PAYMENT OF
THE FINE WHICH WAS
IMPOSED ON YOU BY THE
MAGISTRATE AT THE
COURT AT THE 10TH INSTANT

ON THE MATTER GIVEN BY THE COMMISSION
AND BY THE COMMISSION, HE WENT ON AND
STATED THAT HE WAS NOT
INTERESTED IN THE MATTER
AND THAT HE WAS NOT
INTERESTED IN THE MATTER

-2-

I understand that the present is an unfavorable time to undertake the construction of a plant of the magnitude necessary to supply Mr. Carrick's needs, and that the cities of Port Arthur and Fort William, as contemplated by the Hydro-Electric Commission, and that the cost of such an undertaking now would be double, or more than double what it would under ordinary conditions, and that you naturally hesitate to undertake this work at the present time, or give any definite assurance as to when it would be completed. Apart however, from that aspect of the case altogether, it would be absolutely impossible for the Government, under present conditions, to secure the money necessary for so large an undertaking, and unless the Commission know of some means of financing it, with which the Government is unacquainted, it is beyond the bounds of possibility for this work to be undertaken now, or, so far as the Government can see, in the near future.

In view of the facts set forth above, I desire to know if there is any arrangement whereby it is possible for the Hydro-Electric Commission to secure power for Mr. Carrick without capital expenditure. If there is no way in which the Government can secure power for Mr. Carrick through the Hydro-Electric Commission, the Government will have to ask Mr. Carrick to relieve the Province and the Commission from any promises or undertakings given him in the matter and will be in duty bound to either grant Mr. Carrick a lease of suitable powers as provided in the terms of the concession, or, at all events, permit him to make any other arrangement he can for the power he requires. Apart from the arrangement mentioned to supply Mr. Carrick the necessary power through the Hydro-Electric Commission, which if development is required is now impossible, Mr. Carrick is under no obligation to take power from the Government or from the Commission. Mr. Carrick I understand, can secure a block of power that would enable him to go on with his construction work and meet his requirements for a time, but he does not want to make any arrangement of this character if he can secure the power by or through the Hydro-Electric Commission.

The matter has been standing for some time now and we must give Mr. Carrick a positive answer without delay, and unless you can suggest some means for meeting the situation the Government has no course but to allow Mr. Carrick to secure the power in the best way he can, providing he releases us from any undertaking to supply him power at the present time.

Kindly let us hear from you at the earliest date possible, and oblige,

Yours truly

(Signed) W. H. Hearst

Sir Adam Beck.

I understand that the present is an unfavorable time to undertake the construction of a plant of the magnitude necessary to supply Mr. Garlick's needs, and that the office of Fort Worth and Fort William, as contemplated by the Hydro-Electric Commission, and that the cost of such an undertaking now would be double, or more than double what it would under ordinary conditions, and that you naturally hesitate to undertake this work at the present time, or give any definite assurance as to when it would be completed. I agree, however, that such a report of the case altogether, it would be absolutely impossible for the Government, under present conditions, to secure the money necessary for so large an undertaking, and unless the Commission knew of some means of financing it, with which the Government is unacquainted, it is beyond the means of possibility for this work to be undertaken now, or, so far as the Government can see, in the near future.

In view of the facts set forth above, I desire to know if there is any arrangement whereby it is possible for the Hydro-Electric Commission to secure power for Mr. Garlick without capital expenditure? If there is no way in which the Government can secure power for Mr. Garlick through the Hydro-Electric Commission, the Government will have to ask Mr. Garlick to relieve the President and the Commission from any promises or undertakings given him in the matter and will be in duty bound to either grant Mr. Garlick a license or withdraw power as provided in the terms of the commission, or, at all events, permit him to make any other arrangement he can for the power he requires. Apart from the arrangement mentioned to supply Mr. Garlick the necessary power through the Hydro-Electric Commission, which is obligated to take power from the Government or from the Commission. Mr. Garlick I understand, can secure a block of power that would enable him to go on with his construction work and meet his requirements for a time, but he does not want to make any arrangement of this character if he can secure the power by or through the Hydro-Electric Commission.

The matter has been standing for some time now and we must give Mr. Garlick a positive answer without delay, and unless you can suggest some means for meeting the situation the Government has no choice but to allow Mr. Garlick to secure the power in the best way he can, providing he releases us from any undertaking to supply his power at the present time.

Kindly let us hear from you as the earliest date possible, and oblige.

Yours truly

(Signed) W. H. Hearst

Mr. Adam Beck.

Jack

CHRONOLOGICAL ABSTRACT
OF
NEGOTIATIONS AND CORRESPONDENCE
IN CONNECTION WITH
PIC RIVER AND BLACK STURGEON TIMBER LIMITS.

YEAR 1916.

1916.

Dec. - Pic River limits offered for sale
by public tender.

Dec. 12 - Pic River Limits awarded to J. J. Carrick.

CHRONOLOGICAL ABSTRACT

OF

EXHIBITS AND CORRESPONDENCE

IN CONNECTION WITH

THE RIVER AND SLACK RIVER TOWNSHIP

YEAR 1816

1816

Dec. - The river limits altered for sale
by public tender.

Dec. 12 - The river limits awarded to J. A. Barker.

1917.

1st Jan. - By-laws submitted to electors in Port Arthur and Port William.

Feb. - Black Sturgeon Limits offered for sale by public tender.

6th Feb. - Black Sturgeon awarded to S. A. Marks.

17th Feb. - Marks notified that formal agreement was being prepared (J. and S.P. 73).

20th Feb. - Letter Marks to Mr. Grigg advising him that the Canadian Northern, Sir William McKensie and J. J. Carrick, M. P., are associated with him (S.P. 73).

22nd Feb. - Letter from Marks to Grigg asking that lease of water power be expedited and referring to understanding with Minister that lease of Cameron Falls site should go to successful tenderer of Pic (J.) (S.P. 73).

26th March- Letter from P. H. Keefer to Sir Adam Beck, applying for supply of power on behalf of Mr. Carrick.

26th March-Interview between Carrick and Prime Minister.

26th March- Letter from Sir William Hearst to Sir Adam Beck, advising him that he was writing Mr. Carrick offering Hydro power (Page 71 Bluebook)

27th March- Letter from Sir William Hearst to Mr. Carrick, urging advantage of Carrick using Hydro power (Blue Book 72).

27th March- Letter from Hon. Mr. Ferguson to Carrick, offering to supply power at cost if Carrick will give up his right to a lease of an undeveloped water power (See page 69 Blue Book).

9th May - First formal agreement between Government and Carrick with regard to lease of Pic and Black Sturgeon Limits (Blue Book pages 17-22)

(Marks' assignment to Carrick 8th May, 1917)

8th May - Formal assignment by Marks to Carrick of all his interest in Black Sturgeon Limit. (J.)

11th May - Letter from Sir Adam Beck to Carrick stating "The lowest prices the Commission could justify are \$15.00 per H.P. for 20,000 H.P.

at 110,000, or \$12.50 per A.T. for same
amount delivered at 2300 v. (Page 31 line 100)

18th Sept. - Letter from L. A. Newman, Garfield's solicitor
to Ferguson, referring to undersigned of Garfield
and asking what power would be available and
asking if there would be any objection to
Garfield taking power from other sources in
the meantime. (See A. T. No. 73).

19th Sept. - Second N.Y.-law submitted as evidence of fact
William.

20th Oct. - Letter from Sir Adam Beck to Sir William
Hearst protesting against handing over
rights to private interests (see page 27
herein).

21st Oct. - Letter from Sir William Hearst to Sir Adam
Beck, in answer to Sir Adam's letter 20th
inst. (187 & 188 herein).

22nd Oct. - Letter from Sir Adam Beck to Sir William
Hearst, acknowledging Sir William's letter
18th inst., and advising that the reason no
contract had been entered was because Mr.
Garfield objected to providing the necessary
bonds or security to cover the cost of ex-
penditure. (see page 75 B.B.).

23rd Oct. - Sir Adam Beck asks Mr. Garfield for power
consent.

24th Oct. - Letter from Garfield to Sir William Hearst
acknowledging receipt of one from Sir Adam
Beck and stating "Referring to your letter
in regard to power, my agreement with the
Government is that in consideration of selling
the lease for power, as advertised with
consent, the Government should be bound to
me with the necessary power and the above also
providing the necessary bonds or security to
be furnished to cover the cost of expenditure."
is contrary to my agreement with the Government
(see page 47 line 100).

NOTE: This is the question upon which the Govern-
ment relied in its action against the Great
Lakes Company as showing that Mr. Garfield
had agreed to supply hydro power.

YEAR 1917.

advising him that Sir Adam Beek had advised Mayor and Council of Port Arthur as follows:-

"INFORMATION RECEIVED THAT A CONFERENCE IS BEING HELD TONIGHT WITH MR. GARRICK AND REPRESENTATIVES RE POWER FOR PULP AND PAPER MILLS. SUGGEST YOU DO NOT TAKE DEFINITE ACTION UNTIL COMMISSION HAS AN OPPORTUNITY TO CONFER WITH YOUR COUNCIL OR REPORT ON SAME."

THIS 1914

advising him that his team had
advised Mayor and Council of their
as follows:-

"INFORMATION RECEIVED THAT A COMMITTEE
IS BEING HELD TOGETHER WITH MR. GARRISON
AND REPRESENTATIVES OF THE CITY
AND STATE. SUGGESTION YOU DO NOT TAKE
PRELIMINARY ACTION WITH YOUR COUNCIL
OR REPORT ON SAME."

- Jan. 17 - Garrick writes Fermier and Ferguson pointing out that, without power, he cannot proceed with his work and asking that he be relieved from taking action under his agreement until Government is able to proceed with the power development and supply power as premised. (S.P. No. 73).
- Jan. 31 - Letter Ferguson to Garrick "Until power is available the Government cannot fairly ask you to make other expenditure in connection with erection of your plant." (S.P. No. 73.)
- 9th May - Second agreement between Government and Garrick extending time for building mills, etc. "Until such time as an adequate supply of electrical power is made available for the grantee, sufficient for the operation of the mills provided in the said agreement. (Page 123 herein.)
- 29th May - Letter from Gaby to Commission recommending Nipigon development. (Blue Book pages 74 - 76.)
- 31st May - Letter from Mr. Pope to Premier Hearst transmitting the report of Mr. Gaby. (Blue Book 74.)
- 1st June - J.J. Garrick assigns 51/100 share in limits to Messrs. Seaman & Alsted. (J.)
- 4th June - Letter from Sir William Hearst to Mr. Pope, commenting on Mr. Gaby's report. (Blue Book 85.)
- 7th June - Letter from Mr. Pope to Sir William Hearst in reply to Premier's letter 4th June (Page 7 herein.)
- 12th June - Letter from Sir William Hearst to Mr. Pope, asking for fuller information and understanding in regard to transmission line capacity, 60,000 to 70,000 h.p. (See page 9 herein.)
- 15th June - Letter from Mr. Pope to Sir William Hearst explaining transmission line capacity, etc. (page 9 herein.)
- 13th June - Letter from Premier to Mr. Pope, advising that the Government looks favorably on Nipigon project and asking for formal recommendation of Commission. (Page 10 herein.)
- 26th June - Letter from Sir Adam Beck to Sir William Hearst, applying for Order-in-Council, authorizing development. (See page 12 herein.)
- 4th July - Order-in-Council passed authorizing Nipigon development (See page 15 herein).

Jan. 17 - Garrison writes Premier and Ferguson pointing out that, without power, he cannot proceed with his work and asking that he be relieved from taking orders under his agreement until Government is able to proceed with the power development and supply power as promised. (C.F. No. 75.)

Jan. 22 - Letter Ferguson to Garrison. Until power is available the Government cannot fairly ask for to make other expenditures in connection with creation of power plant. (C.F. No. 76.)

24th May - Second agreement between Government and Garrison extending time for building mill, etc. Until such time as an adequate supply of electrical power is made available for transmission, entitled for the operation of the mill provided in the said agreement. (Page 123 hereinafter.)

25th May - Letter from Gaby to Commission recommending Ripogen development. (Ripogen pages 74 - 76.)

25th May - Letter from Mr. Pope to Premier Herbert Fraser requesting the report of Mr. Gaby. (Ripogen page 74.)

25th June - J.J. Garrison assigns \$1,000 unexpired limits to Herbert. (See page 123.)

25th June - Letter from Sir William Herbert to Mr. Pope commenting on Mr. Gaby's report. (Ripogen page 75.)

25th June - Letter from Mr. Pope to Sir William Herbert in reply to Premier's letter 25th June (Page 7 hereinafter).

12th June - Letter from Sir William Herbert to Mr. Pope asking for further information and understanding in regard to transmission line capacity. 60,000 to 70,000 h.p. (See page 8 hereinafter.)

13th June - Letter from Mr. Pope to Sir William Herbert explaining transmission line capacity, etc. (page 9 hereinafter.)

13th June - Letter from Premier to Mr. Pope, advising that the Government looks favorably on Ripogen project and asking for formal recommendation of Commission. (Page 10 hereinafter.)

28th June - Letter from Sir Adam Beck to Sir William Herbert, applying for Order-in-Council, authorizing development. (See page 12 hereinafter.)

4th July - Order-in-Council passed authorizing Ripogen development (See page 12 hereinafter.)

YEAR 1918.

5th July - Minister consents to transfer from Carrick to Alsted, dated 1st June, 1918.

15th Sept.- Letter from Pope to Mr. Carrick urging necessity of defining power contract (Blue Book page 84.)

19th Sept.- Letter from Carrick to Pope advising him that he had not as yet received draft contract. (Blue Book 85.)

23rd Sept.- Mr. Carrick has conference with Sir Adam Beck and Mr. Pope re power contract, in Toronto. (Reference Blue Book page 84.

26th Sept.- Mr. Pope to Carrick forwarding draft form of contract to supply power. (Page 85 Blue Book).

1st Oct. - Letter from Carrick to Pope acknowledging receipt of letter 26th Sept. (92 BlueBook.)

11th Dec. - Letter from Sir Adam Beck to Mr. Matthews showing that Hipigon Development undertaken without regard to possible demands of Great Lakes Paper Co. (Page 16 herein.)

25th July - Minister comments on transfer from Governor
to Alsted, dated 1st June, 1914.

13th Sept. - Letter from Governor to Mr. Gervais regarding
necessity of defining power conferred
(File Book page 44.)

13th Sept. - Letter from Governor to Mr. Gervais regarding him
that he had not as yet received letter
(File Book 44.)

23rd Sept. - Mr. Gervais has conference with Mr. Adam
Book and Mr. Pope to power transferred, in
reference. (Reference File Book page 44.)

25th Sept. - Mr. Pope to Governor forwarding draft form
of accounts to newly power. (Page 45
File Book.)

1st Oct. - Letter from Governor to Pope acknowledging
receipt of letter 25th Sept. (25 File Book.)

11th Dec. - Letter from Mr. Adam to Mr. Gervais
showing that Highon Development undertaken
without regard to possible demands of Great
Lakes Paper Co. (Page 18 File Book.)

- 23rd Jan. - J. J. Carrick assigns further 15-2/3 interest to Seaman and Alsted. (J.)
- 28th Jan. - Carrick wired Ferguson asking him when Hydro power will be available as per his agreement with Government. (S.P. 73.)
- 28th Jan. - Letter from Pope to Ferguson advising him that the Commission expect to complete the plant at Nipigon for the supply of Port Arthur early in 1920, and it is necessary before any provision can be made for the quantity of power required for the agreements referred to that the Commission obtain a contract for the same and a proper guarantee bond as security against the expenditure made on behalf of such contractor or contract. (S.P. 73).
- 22nd Mar. - J. J. Carrick assigns ~~xxxxxxxx~~ 16-2/3% interest in limits to James Whalen. (See B.B. Page 11.)
- 29th Mar. - J. J. Carrick assigns ^{remaining} 16-2/3% interest in both limits to Messrs. Seaman and Alsted. (Blue Book page 6.)
- 9th Apr. - Hon. Mr. Ferguson consents to transfer by Carrick to Seaman & Alsted of a further 32-1/3/100 interest in limits. (Blue Book page 3.)
- 11th Apr. - Letter from Strachan Johnston, K. C., to Hon. Mr. Ferguson, giving his opinion as to what steps may be taken to secure a supply of power for Mr. Carrick. (Blue Book page 30.)
- 11th April - Letter from Ferguson to Pope, asking "Whether the development is being undertaken as a municipal enterprise on behalf of Port Arthur and Fort William or is being done on behalf of the Province." (B.B. 88.)
- 15th Apr. - Letter Pope to Ferguson advising him "The Nipigon Development is being undertaken as a municipal enterprise and the contracts for the supply of power have been duly executed by Port Arthur and Fort William, and it is expected that the other pending contracts and agreements for power in the district will be completed in due course." (See Blue Book PP. 87-88.)

(S) (U) (C) (E) (F) (G) (H) (I) (J) (K) (L) (M) (N) (O) (P) (Q) (R) (S) (T) (U) (V) (W) (X) (Y) (Z)

12-1-70

SECRET

[illegible][illegible]

cover for Mr. Callahan. (Time book page 20.
There may be reason to believe a reply of
Mr. Tamm, giving his opinion as to what
letter from Harry Campbell, A. O. 30, has
been received.)

11th April - Letter from London to [redacted] dated 11th April 1941. The letter is signed by [redacted] and is addressed to [redacted]. The letter contains the following text: [redacted]

1954 Apr. - Letter from to Bureau on April 14, 1954. High-level development is being undertaken in a municipal enterprise and the Government for the supply of power have been only extended by 1954-1955 and 1956-1957. and it is expected that the other pending committee and agreements for power in the district will be completed in the course. (See the book pp. 87-88.)

YEAR 1919.

- 1st May - Letter Ferguson to Pope, advising "The Government is in honor bound to see that this obligation (to give Garrick power) is carried out, and until the actual completion of the substitute arrangement it would scarcely be proper for the Crown to part with the title and so place it out of its power to implement the undertaking given Mr. Garrick." (B.B.88.)
- 13th May - Letter Pope to Ferguson acknowledging receipt of letter 1st inst., and setting out the negotiations to date with Garrick. (Blue Book 90.)
- 15th May - Ferguson to Pope acknowledging letter 13th May "I confess I am at a loss to understand why it is necessary that patents should issue to the Commission before your work can be carried on. The Government owns the property, the Government is furnishing the money for the development, and the Commission can surely rely on the Government in seeing that it is amply protected." (Blue Book page 90.)
- 23rd May - Letter Ferguson to Pope, acknowledging letter 15th May urging that the patents should issue in order that the Commission might protect the municipalities who are obliged to provide for the cost of the work. (Page 93 Blue Book.)
- 31st Oct. - Letter from Beck to Alsted, enclosing draft form of Agreement. (Hydro File H.M. 1401.)
- 6th Nov. - Jas. Whalen assigns his 16-2/3 interest to Seaman & Alsted.
- 6th Nov. - Order-in-Council passed authorizing H.B.P.C. to enter into contract with Company. (See page 71 herein and page 72 for draft contract attached to Order-in-Council.
- 24th Nov. - Conference between delegates from Fort William Hon. Mr. Mills and Mr. Gaby, respecting rates to be charged the Company.
- 25th Nov. - Letter from Mayor Murphy of Fort William to

12th Nov - Letter from Mr. [Name] to Mr. [Name], advising that the Government has decided to grant a concession to the [Name] Company for the [Name] project. The concession is for a period of 25 years, and the [Name] Company has agreed to pay a royalty of 5% of the net profit to the Government. The concession is subject to the approval of the [Name] Board.

13th Nov - Letter from Mr. [Name] to Mr. [Name], advising that the Government has decided to grant a concession to the [Name] Company for the [Name] project. The concession is for a period of 25 years, and the [Name] Company has agreed to pay a royalty of 5% of the net profit to the Government. The concession is subject to the approval of the [Name] Board.

14th Nov - Letter from Mr. [Name] to Mr. [Name], advising that the Government has decided to grant a concession to the [Name] Company for the [Name] project. The concession is for a period of 25 years, and the [Name] Company has agreed to pay a royalty of 5% of the net profit to the Government. The concession is subject to the approval of the [Name] Board.

15th Nov - Letter from Mr. [Name] to Mr. [Name], advising that the Government has decided to grant a concession to the [Name] Company for the [Name] project. The concession is for a period of 25 years, and the [Name] Company has agreed to pay a royalty of 5% of the net profit to the Government. The concession is subject to the approval of the [Name] Board.

16th Nov - Letter from Mr. [Name] to Mr. [Name], advising that the Government has decided to grant a concession to the [Name] Company for the [Name] project. The concession is for a period of 25 years, and the [Name] Company has agreed to pay a royalty of 5% of the net profit to the Government. The concession is subject to the approval of the [Name] Board.

17th Nov - Letter from Mr. [Name] to Mr. [Name], advising that the Government has decided to grant a concession to the [Name] Company for the [Name] project. The concession is for a period of 25 years, and the [Name] Company has agreed to pay a royalty of 5% of the net profit to the Government. The concession is subject to the approval of the [Name] Board.

18th Nov - Letter from Mr. [Name] to Mr. [Name], advising that the Government has decided to grant a concession to the [Name] Company for the [Name] project. The concession is for a period of 25 years, and the [Name] Company has agreed to pay a royalty of 5% of the net profit to the Government. The concession is subject to the approval of the [Name] Board.

19th Nov - Letter from Mr. [Name] to Mr. [Name], advising that the Government has decided to grant a concession to the [Name] Company for the [Name] project. The concession is for a period of 25 years, and the [Name] Company has agreed to pay a royalty of 5% of the net profit to the Government. The concession is subject to the approval of the [Name] Board.

20th Nov - Letter from Mr. [Name] to Mr. [Name], advising that the Government has decided to grant a concession to the [Name] Company for the [Name] project. The concession is for a period of 25 years, and the [Name] Company has agreed to pay a royalty of 5% of the net profit to the Government. The concession is subject to the approval of the [Name] Board.

YEAR 1919.

Premier Drury and wire to Beck, asking "that no power contract be signed without these Cities being represented." (Blue Book page 12.)

26th Nov.--Letter from Johnston, McKay, Dods & Grant, on behalf of Alsted, to H.E.P.C., advising that "price quoted is acceptable but our clients, subject possibly to some minor changes (Hydro File 1401).

29th Nov.--Albert Grigg, Deputy Minister, submits memo to Prime Minister on negotiations re limits. (See Blue Book page 14-17.)

3rd Dec.-- Letter from Beck to Nixon, advising "Pursuant to the interview had with these gentlemen, they were advised that the price of power to the Great Lakes Co. would be the same if supplied at either of the locations suggested." (See page 140 herein.)

5th Dec. -Messrs. Alsted, Gaby and Pope hold long conference with regard to proposed contract at which conference Mr. Alsted agreed to be responsible for the cost of any line that might be required beyond 1000 ft. from the Commission's existing line. (See letter Pope to Raney, March 25, 1920; Hydro File EM 1401-2.) (See Memoranda on this conference pages 141-142 herein) File 1401-2.

6th Dec. -Letter from Alsted to Beck objecting to contract as submitted to him. (Blue Book 33.)

10th Dec. -Letter from Gaby to Alsted in reply to latter's letter 6th inst., answering objections. (See Hydro file H.E. 1401.)

19th Dec. - (?) New contract (Agreement No. 2) submitted by H.E.P.C. to Company. (See page 91 herein.)

YEAR 1920

- 6th January - Pope forwards Alsted copy of draft agreement.
- 7th January - Conference in Mr. Haney's office including Mr. Alsted, Mr. Leacher, Mr. Lucas, Mr. Dymond and others representing R.E.P.C. and Government. The contract as amended - referred to as Agreement #3 - set out on page 103 herein.
- 7th January - Mr. Pope had copies of Agreement #3 delivered to Mr. Alsted "without letter or comment."
- 9th January - Mr. Dymond submits memo. on situation to Government (RM1401 file)
- 10th January - Letter Haney to Pope asking him whether Winnipeg would have been commenced independently of the expectation of furnishing power for the operation of these limits, and if so to what extent the expense of development has been increased by such expectation (Hydro File RM 1401)
- 11th January - Sir Adam cables Mr. Gaby "See Lucas about Great Lakes Agreement. Principles fixed by Commission unalterable. If necessary hold agreement my return."
- 12th January - Beck cables Lucas - Great Lakes Co. must furnish guarantee bonds. Protect Commission behalf municipalities. Government cannot assume responsibility. Cannot final settlement await my return."
- 13th January - Mr. Lucas cables Beck: "Unless Great Lakes Co. sign standard contract and furnish bond nothing will be done until after session. If deadlock, Government favorably consider legislation."
- 13th January - Letter from Leacher to Bowman acknowledging receipt of Agreement #3 and setting out his objections to its terms and requesting the written statement of the position of the Ontario Government on the question. (Bluebook P.36)
- 15th January(?) Alsted returns from Montreal with offer of Mr. Holt to finance Company 52% if Company will take Kan. power. (page 47 herein)

- 22nd January - Albert Grigg, Deputy Minister, submits memo. for Minister of Lands, Forests & Mines re Limits (See Bluebook pages 45-55)
- 27th January- Letter from Attorney-General to Johnston, McKay, Deas & Grant answering Lecher's letter Jan. 13th (See Bluebook page 57)
- 2nd February- Letter from General Hogarth to E.E.P.C. asking
(1) On what basis will cost of power to the Company be determined in the event of their locating at a point in or near the northerly limits of the City of Port Arthur;
(2) On what basis will the prices be determined in the event of the Company establishing their mill at a point in or near the westerly limits of Pt. William. (Page 21 herein)
- 2nd February - Letter from Mr. Pope to Mr. Raney advising him that Agreement No. 3 had omitted an amendment (See page 69 herein)
- 3rd February - Memo. from Mr. Pope to Mr. Gaby asking for memo. as to answer to be made to General Hogarth's questions (Page 22 herein)
- 3rd February- Pope forwards Alsted two copies of Agreement as redrafted with a line which had been amended to take the place of one forwarded on 6th January.
- 7th February- Memo. by Mr. Gaby to Mr. Pope stating that the proposed contract provides: "for a rate of \$17.50 at the substation of the customer provided the branch line to serve him does not exceed 1,000 feet in length." It is proposed that the Commission's line be constructed ultimately to a point where the line intersects the boundary between Port Arthur and Pt. William. The rate will be increased proportionately for any increase in the length of the branch line to that customer over and above 1,000 ft.. As an alternative the Government would have to supply the necessary capital to cover the expense of such excess length of branch line." (Page 23 herein)
- 10th February Letter from Mr. Pope to Gen. Hogarth answering his questions in the terms of Mr. Gaby's memo. (Page 24 herein)
- 10th February- Mr. Alsted and Mr. Lecher arrive in Toronto for another conference.
- 11th February- Letter from Mr. Lecher to Mr. Bowman in answer to Mr. Raney's letter 27th Jan. (Page 69 BB)

YEAR 1920

- 12th February - Conference between Mr. Drury, Mr. Raney, Mr. Hills Mr. Alsted and Mr. Lecher.
- 14th February - Government takes position that it is unable to dispose of matter until return of Sir Adam Beck.
- 21st February - Letter from Mr. Alsted to Mr. Bowman setting out his understanding of the decisions reached at the conference 12th Feb. 1920 (Page 65 Bluebook)
- 25th February - Letter from Mr. Alsted to Mr. Bowman setting out his objections to the proposed power contract (See page 65 Bluebook)
- 26th February - Wire from Mr. Bowman to Alsted advising him that power questions must remain in abeyance until return of Chairman from England (Page 70 Bluebook)
- 3rd March - Drury cables Beck asking his opinion as to proposal of Company that it may contract with Hydro for 750 H.P. and be allowed to get additional power from other sources (See Page 145 herein)
- 11th March - Cabinet meeting at which Alsted and 5 others present Port William delegations with Hollnath supported Company's request to approve Mission site (Page 41 herein)
- ¹³
12th March - Mr. Pope wires Port Arthur that Government considering approval of Mission site.
- 12th March - Mr. Gaby wires Mr. Pope to advise Port Arthur that Government is considering approving Mission site (page 42 herein)
- 13th March - (Saturday) Sir Adam Beck disembarks in New York from England.
- 17th March - Conference at Parliament Bldgs. between Government, the H.E.P.C. and representatives of Port Arthur and Port William re Great Lakes Company.
- 15th March - Letter from Mayor Matthews of Port Arthur to the Premier enclosing Memo. setting forth Port Arthur's claims and position with regard to the Nipigon development and the Pic and Black Sturgeon concessions (See Hydro file E.M. 1401-2 top letter)
- 17th March - Letter from Matthews to H.E.P.C. setting out his understanding of the decisions reached at to-day's conference (Page 27 herein)

See Hyatt's file E.M. 1401-S (top letter)

- 22nd March - Mr. Gaby asks Mr. McBride to estimate costs for supplying power to the Company from a point on boundary between Port Arthur and Fort William.
- 23rd March - Matthews wires Beck that Fort William deputation is on way "Trust no departure from decision arrived at during conference last week" and expressing confidence that Hydro will protect their interests. (page 19 herein.)
- 23rd March - 19 telegrams from Fort William citizens to Beck in part as follows: "We insist on approval of Mission site and that Hipigon power be delivered to them and all other industries in Fort William, also the Corporation of Fort William, as cheap as anywhere else." (Hydro File EM.1401-2.)
- 24th March - Fort William deputation meets Premier Drury in effort to get power delivered at the Mission at \$17.50 per h.p.
- 25th March - Conference between Government and H.E.P.C. and Alsted. Agreement No. 4 (See page 24 B.B.) submitted to Alsted. Parties failed to come to an agreement.
- 25th March - Letter from Brandon, Electrical Engineer, to Gaby, submitting Estimate No. 35014 and stating that "If this transformer station is located midway between Port Arthur and Fort William, it will cost approximately 5% more than if located at Bare Pt.
- 26th March - Letter from Drury to Beck advising him that the Government has decided not to take any steps in negotiations other than those approved by the H.E.P.C. (See Page 144 herein.)
- 26th March - Letter from Drury to Mayor Matthews, Fort William, advising him that the Government has decided that no good object would be served by a continuance of the participation by the Government in the discussion (See Hydro File EM 1401-2.)
- 12th April - Letter from Hellmuth to the Premier, requesting a fiat.
- 16th April - Sir Adam Beck answers in writing three questions re Great Lakes Co situation (Copy of Memo set out in full on page 37 herein.)

22nd March - Mr. G.D. asks Mr. Kishore to continue work on
supplying power to the Company from a point on
boundary between Fort Arthur and Fort William

23rd March - Mr. G.D. asks Mr. Kishore to continue work on
supplying power to the Company from a point on
boundary between Fort Arthur and Fort William
(page 12)

24th March - Mr. G.D. asks Mr. Kishore to continue work on
supplying power to the Company from a point on
boundary between Fort Arthur and Fort William
(page 12)

25th March - Mr. G.D. asks Mr. Kishore to continue work on
supplying power to the Company from a point on
boundary between Fort Arthur and Fort William
(page 12)

26th March - Mr. G.D. asks Mr. Kishore to continue work on
supplying power to the Company from a point on
boundary between Fort Arthur and Fort William
(page 12)

27th March - Mr. G.D. asks Mr. Kishore to continue work on
supplying power to the Company from a point on
boundary between Fort Arthur and Fort William
(page 12)

28th March - Mr. G.D. asks Mr. Kishore to continue work on
supplying power to the Company from a point on
boundary between Fort Arthur and Fort William
(page 12)

29th March - Mr. G.D. asks Mr. Kishore to continue work on
supplying power to the Company from a point on
boundary between Fort Arthur and Fort William
(page 12)

30th March - Mr. G.D. asks Mr. Kishore to continue work on
supplying power to the Company from a point on
boundary between Fort Arthur and Fort William
(page 12)

31st March - Mr. G.D. asks Mr. Kishore to continue work on
supplying power to the Company from a point on
boundary between Fort Arthur and Fort William
(page 12)

- 25th April - Letter from Mr. Hellmuth to Mr. Baney repeating his request for a fiat.
- 28th April - Letter Mr. Baney to Mr. Hellmuth repeating that the Government likely take action if development work is not undertaken immediately (Hydro file EM 1401-2)
- 28th April - Letter from Alsted to Mr. Drury setting out in full the view of his Company with regard to the points at issue (See pages 145 to 152 herein)
- 28th April - Estimate #25015 submitted by Mr. McBride, Cost Accounting Engineer, to Chief Engineer, estimating the cost of serving the Great Lakes Co. at three different points of delivery: Bare Point, Inter-City Station, and Mission Site, and using 4½%, 5½% and 6% interest (Hydro File EM.1401-2)
- 10th May - Conference between Cabinet and Messrs. Kilmer, Robinson & MacInness with regard to the advisability of taking action against the Company.
- 12th May - Messrs. Kilmer, MacInnes and Robinson submit joint opinion advising Province to take immediate legal proceedings to compel the Company to take its power from the Government.
- 12th May - Sir Adam Beck wires H.C. Campbell, Port Arthur Utilities Commission, that cost of line from Bare Point to Mission would be \$550,000. and that cost of line from Mission to Port Arthur, with permanent sub-station, would be from \$250,000. to \$300,000. (See page 153 herein)
- 14th May - Letter from Mr. Baney to Mr. Kilmer instructing him to institute proceedings against the Great Lakes Co.
- 26th May - Writ issued Attorney-General vs. Great Lakes Paper Co.
- 10th June - Statement of Defence filed.
- 10th June - Letter from Kilmer to Mr. Baney enclosing draft of the proposed notice to be served on the Company advising them an adequate supply of power will be available not later than 1st Feb. 1921.
- 12th June - Letter from Mr. Baney to Mr. Pope asking Commission to consider the advisability of the notice (File 1401-3)

1931 April - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 April - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 April - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 April - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 May - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 May - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 May - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 May - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 May - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 June - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 June - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

1931 June - Letter from Mr. Williams to Mr. [Name] regarding [Subject].

YEAR 1920

- 17th June - Letter from Pope to Mr. Haney advising him that the Commission had decided to advise that the notice be withheld until further conferences might be had on the subject.
- 24th Sept. - Letter Kilmer to Mr. Haney, suggesting lack of bonafides in Company (See pages 153 -158 herein).
- 24th Sept.- Letter from Hollnuth to Kilmer stating "I am personally convinced of the bonafides of my clients and in the course of conversation with Mr. Alsted it appeared that not only had he and his associated no idea of selling the limits, but that on the contrary very substantial offers which would mean large profits on the purchase had been declined by them (File 1401-3)
- 8th Oct. - Conference between Mr. Haney, Mr. Kilmer, Mr. Bowman, Mr. Mills, as to advisability of discontinuance of the suit on account of the doubt as to the ability of the Hydro to furnish sufficient power (Hydro file 1401-3)
- 12th Oct. - Memo. by Mr. Gaby (?) for Mr. Haney (?) as to the amount of power available at Port Arthur for the Great Lakes Co. "AFTER MEETING THE POWER REQUIREMENTS OF THE MUNICIPALITIES AND PRESENT CUSTOMERS OF THE COMMISSION THERE WILL ONLY BE A SURPLUS OF 2,000 to 5,000 H. P. WHICH WILL BE READY FOR DELIVERY IN JANUARY of 1921. SHOULD THE COMPANY REQUIRE POWER IN EXCESS OF THE ABOVE SURPLUS IT WILL BE NECESSARY TO INSTALL ADDITIONAL EQUIPMENT WHICH WILL REQUIRE FROM 9 to 10 MONTHS' ADVANCE NOTICE". (Page 154 herein)
- 25th Oct. - Order-in-Council passed approving Mission Site as location for mills of Great Lakes Paper Co.

YEAR 1921

- 25th Feb. - Mr. McBride submits to Mr. Gaby Estimate #35023, of costs of delivering power to Company (see page 54 herein)
- 10th March - Hon. Mr. Justice Rose delivered judgment in re Attorney-General vs. Great Lakes Paper Co. dismissing action.
- 15th March - Letter from Mr. Kilmer to Mr. Raney setting out his interpretation of the judgment.
- 16th March - Letter from Mr. Raney to Mr. Kilmer asking him to ascertain definitely what the facts are as to the availability of power for the purposes of the Company.
- 21st March - Mr. Gaby orders Mr. McBride's estimate altered basing interest charges on 5% instead of 6% (see page 61 herein)
- 21st March - McBride submits revised Estimate #35923.
- 4th November-Mr. Pope advises Mr. Titus that power was available for Company March 15th, 1920; that the amount available at the present time is 10,000 h.p. etc. (see page 17 herein)
- 1st December-Memo. by Mr. Titus for Government giving opinion that Great Lakes Co. is not in default under its agreement and that Limits are not liable to confiscation (see page 130 herein)

YEAR 1922

- 20th Jan. - The Government served notice on the Company to show cause within 30 days why its rights to limits should not be declared forfeit to the Crown (Page 125 herein).
6
- 6th March - Letter from Mr. Alsted to Hon. Mr. Bowman asking for Government's interpretation of proposed new agreement (Page 125 herein).
- 6th March - Letter from Hon. Mr. Bowman to Mr. Alsted giving the Government's understanding, interpretation and undertaking with regard to the proposed new agreement (Page 126 herein).
- 6th March(?) - New Agreement between the Government and Alsted dated 9th February 1922 executed.
(New agreement between Government and Company with regard to Limits on page 116 herein)

1933

1. The Government has no objection to the company in
those cases where it is found that the
limits should not be extended to the
company (page 100).

2. The Government has no objection to the company in
those cases where it is found that the
limits should not be extended to the
company (page 100).

3. The Government has no objection to the company in
those cases where it is found that the
limits should not be extended to the
company (page 100).

4. The Government has no objection to the company in
those cases where it is found that the
limits should not be extended to the
company (page 100).